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Spring Books — *Reviewed by Richard John Neuhaus, Neil M. Ribe, Nathan Glazer, Ezekiel J. Emanuel, R. Shep Melnick, James Fallows, Terence J. Pell, Gary L. McDowell, and Malcolm J. Sherman*

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CONTENTS

What Happened to the "Family Wage"?	*Allan C. Carlson*	3
Unfounded Allegations—A New Child Abuse Problem	*Douglas J. Besharov*	18
Poverty, Welfare & Workfare		
The California Work/Welfare Scheme	*David L. Kirp*	34
Poverty Down, Inequality Up?	*Michael Novak & Gordon Green*	49
Is Welfare Really the Problem?	*David T. Ellwood & Lawrence H. Summers*	57
Science, Politics, and the IQ Controversy	*Mark Snyderman & Stanley Rothman*	79
Contributors		97
Spring Books Supplement	*Contents*	98

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What happened to the "family wage"?

ALLAN C. CARLSON

PROFUSE RHETORIC about the family has long been a staple of American politics. Yet in contrast to the rest of the Western world, debate here on the specifics of a family policy has been notoriously weak.

For most of this century, avoidance of a clear American family policy could be justified. Cultural and social mechanisms conspired to protect the economic interests of the family by delivering an informal "family wage," where compensation was skewed in favor of households with children. Since 1960, these mechanisms have weakened or disappeared. The unintended consequences of successive tax and Social Security reforms have further penalized those families giving serious attention to child-rearing.

Recent census data point to accelerating decay of the traditional family unit and a relative paucity of children, as the U.S. "total fertility rate"[1] has tumbled to less than 1.8 children per woman, well below the 2.1 figure which ensures the replacement of generations. These developments suggest that consideration of a positive family policy can no longer be avoided. A politically created "family wage" lies at the heart of such a policy.

[1] The "total fertility rate" is a demographic calculation which translates the number of births in a given year into a weighted average of lifetime births per woman.

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The family under capitalism

Critics of liberal capitalism in the nineteenth and early twentieth centuries focused on the failure of the competitive wage system to accomodate family life. In the pre-industrial era, they said, children were economic assets for an overwhelmingly peasant population. This encouraged large families. The social regulation of wages and prices further strengthened the economic foundations of family life.

Capitalism tore this world asunder. Friedrich Engels described how the industrialists' use of cheap female and child labor to run factory machines proletarized the family. Able-bodied men, their skills and strength no longer needed, found themselves dismissed or forced to accept "children's work at children's wages." The employment of married women, moreover, "destroyed" families as the children were allowed to grow up having "no idea of what a proper family life should be." Marx, too, blasted the "shameless," "unconscionable" exploitation of entire families in the emerging factory system, terming it the inevitable consequence of a competitive order.

Roman Catholic theorists such as Valère Fallon, S.J., a Belgian writer active in the 1920s, argued that a market wage system discouraged children by taking no account of family size. The bachelor, the laborer with an employed wife, and the man with a wife and five children at home each received the same wage. The latter family's resulting lower per capita standard of living discouraged the formation of new homes.

Social Democrats led by Alva and Gunnar Myrdal offered a similar argument. The capitalist wage system, the Myrdals argued, took no account of family size and responsibility. Younger workers with small children were the first to be laid off during recessions. Large families tended to live in the worst housing. In sum, the incentive structure of modern capitalism imposed on young couples a choice between relative poverty with children or a higher living standard without them.

Roderich von Ungern-Sternberg, the author of dozens of books on European family and population issues in the interwar period, exemplified the anti-modernist, fascist school. He stressed the negative impact of the "bourgeois striving spirit." In the competitive socio-economic race, rational bourgeois man recognized that those with few or no children had a better chance of beating the competition. Similarly, industrial production undermined the social and economic arrangements that maintained "separate spheres" for the sexes and gave women "sensible occupations" in household management. As women were lured into the economic scramble, there were

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no rational reasons to preclude their rise to positions of economic power and influence. The role of housewife/mother soon came under attack.

In an extraordinary albeit little-appreciated turn of events, though, democratic capitalist systems found ways to circumvent the family problem. Throughout the West, the nascent labor movement pressed for the establishment of a "living wage," an income sufficient for the male breadwinner to support his wife and children in modest comfort. Supplementing this goal were campaigns to end child labor and an effort—part cultural, part political—to revalue the paid work of married women as secondary, or supplemental, in nature. Labor bodies such as the American Federation of Labor, while officially committed to the organization of female workers, consistently dragged their feet on the issue. Labor leaders argued that women would be helped most if their husbands earned enough to support the whole family. As one pro-labor American newspaper editorialized in the 1880s, the measure of a decent wage was one sufficient for a man "to keep his wife and children out of competition with himself."

The revaluation of female labor took several forms. Over time, Americans culturally sorted jobs into male and female categories. Most of the latter were considered to be either of short duration, until marriage, or involving a lifetime of secular celibacy (grade school teaching, nursing). A clear, culturally enforced wage differential between men's and women's work also emerged. Americans justified the higher male wage by pointing to the wife and children commonly found at home.

Working women, by contrast, usually supported only themselves. Protective legislation for women, including restrictions on hours worked and prohibitions on certain forms of strenuous or dangerous labor, also reinforced a view of women as "second-class" employees. The large majority of women and men, though, believed that such a price was bearable as a means of preserving family integrity in the industrial age. By 1940, only 6 percent of non-farm wives with husbands annually earning over $3,000 were in the labor force. Even among those with husbands making less than $1,000, fewer than one-quarter were in the paid labor force. The culturally supported family wage was in the ascendant.

The European experience

Several European countries went further, also creating a politically supported family wage. The idea took root in France. The

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late nineteenth-century debate over threatened French depopulation focused attention on the troubling economics of family life in an industrial economy. Roman Catholic activists received encouragement from Pope Leo XIII's 1891 encyclical, *Rerum Novarum*, which endorsed efforts to value paid labor according to family size. Political coalitions of large families, commonly based in Catholic parishes, began lobbying for state policy measures such as tax deductions that would support families rearing children.

A major family allowance program first emerged in the private sector. In the early twentieth century an informal network of Christian corporate executives began study of the moral principles behind the family wage. Spurred on by the carnage of the World War and attendant inflation, managing director M. Romanet of Grenoble's massive Joya Engineering Works introduced a private family allowance system for heads-of-households with dependent children. Beyond the basic wage paid all workers, the Joya program added a supplemental wage determined by the number of children in the family. The concept spread rapidly. By 1930, other benefits had been added to these corporate family systems: midwifery services; visiting nurses; breastfeeding allowances; layettes; and milk for children. State regulation began in the mid-1920s with the creation of district equalization funds. These "super funds" allowed employers to pay a fixed sum determined by total number of workers into a pooled account, usually organized on an industry-by-industry basis. This fund then distributed the benefits according to a standardized formula. The next decade witnessed the founding of state programs for farmers, employers, and independent professionals. These efforts were capped in July 1939 with creation of the *Code de la Famille*, a statute which completed the nationalization of the family allowance system and expanded benefit levels.

A different model emerged in Scandinavia. Responding to the dramatic fall in Sweden's birth rate after 1920, Alva and Gunnar Myrdal authored a seminal 1934 book, *Kris i befolkningsfraagan (Crisis in the Population Question)*. It recast the looming specter of depopulation in Sweden as "the most effective argument" for the radical socialist remodeling of society.

They stressed the "living standard penalty" that parents of young children faced in a capitalist system. They also pointed to the perverse anti-family incentives found under a system of socially funded old-age pensions. In the preceding era, said the Myrdals, economic incentives bound families tightly together: Working adults supported their aging parents as a culturally and legally enforced obligation. Young adults also had a strong incentive to rear children themselves in order to provide for their own security when they

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could no longer work. However, with the advent of government-funded pensions paid for by transferring income from current workers to current retirees, the bonds of economic security between the three generations of a family were cut. Indeed, the "value" of children to parents was, in essence, reversed. Under a social security system, in which income and payroll taxes were mandatory and the receipt of a pension unrelated to a worker's having children, young adults could improve their immediate standard of living and suffer no long-term consequences by avoiding childbearing altogether.

The only effective way of resolving this anti-family contradiction, the Myrdals said, was to complete the welfare state by also socializing the costs of bearing and rearing children. The Myrdals rejected the French model of cash allowances as inefficient. Instead, they urged the provision of "in-kind" support by the state: free maternity care and delivery as part of a state health system; school lunches; milk and food coupons; vouchers for clothing; cost-free daycare and summer camps; and varied state family services.

Also in contrast to the French, the Myrdals argued that a modern family policy need make its peace with both feminism and birth control practices. Women must be recognized as "comrades" of men in paid industrial labor and state reforms so constructed as to allow women to be both workers and mothers. Access to and use of contraceptives, they also reasoned, could not realistically be reversed in a modern nation. For democratic reasons, they concluded, birth control devices and training in their use should be made universally available.

The American nation and family

American interest in more formal means of family income support has been less structured. The New Deal's Aid to Dependent Children program drew on means-tested allowance experiments in a number of states, and represented a kind of specialized family allowance for widowed, divorced, or abandoned mothers. Scattered studies from the 1930s and 1940s discovered a number of private firms and hundreds of school districts providing either child allowances or a fixed higher salary for male heads-of-households. During World War II, the Navy and War departments temporarily introduced family allowances for enlisted personnel. Alva Myrdal's 1941 book *Nation and Family* was intended to be a stimulant to construction of an American family policy based on the Swedish model.

However, the late 1940s and 1950s witnessed a retreat from these more formal methods of achieving a family wage. In the peculiar postwar psychological climate, the culturally accepted family wage emerged stronger than ever. Popular magazines and the new

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television programs celebrated domesticity and the mother-at-home. Social scientists, who had talked darkly during the 1930s about the family losing its functions, now praised the "instrumental reorganization" and upgrading of the nuclear family. Church attendance was high; the Sunday schools bursting at the seams. While not officially labeled "family policy," even the federal government acted during this era in a supportive manner. Reform of the income tax code in 1948 raised the personal exemption to $600 and created the joint return, acts which favored married couples involved in the rearing of children. Given prevailing income levels, the majority of families with three or more children was relieved of significant income tax liability. Complementing these changes were the new or invigorated Veterans Administration and Federal Housing Administration home mortgage insurance programs, which encouraged rapid growth of new "child-centered" suburbs. With the marriage rate high, the divorce rate relatively stable, the birth rate booming, and real family income steadily rising, the United States appeared to have solved the family problem.

When policymakers' attention returned to family allowances in the mid-1960s, it was part of the debate over poverty and welfare reform. Daniel Patrick Moynihan's famed 1965 report *The Negro Family: The Case for National Action* focused on the relationship between family structure and poverty, particularly the disturbing rise in divorce, abandonment, and illegitimate births among urban blacks. Also in these years, the Department of Labor funded research projects and several conferences on family allowances. Back at Harvard in 1968, Moynihan helped arrange for publication of a new edition of Myrdal's *Nation and Family*. This wave of interest peaked in the 1969-1970 debate over the Nixon-Moynihan "Family Assistance Plan," which proposed creation of a child-sensitive guaranteed minimum income.

Subsequent consideration of family allowance schemes has occurred largely within the welfare context. In a series of books, Sheila Kamerman and Alfred Kahn have reviewed the operation of European family policies and argued for an equivalent American program as a means of completing the American welfare state. George Gilder's call for universal, taxable family allowances in place of AFDC has been motivated largely by a desire to end the latter's perverse disincentives to work and marriage.[2]

[2] Gilder, though, has more recently joined with Joseph Piccione of the Child and Family Protection Institute in making a broader case for a universal family allowance that would replace both AFDC and the tax exemption for children.

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When the government steps in

In the mid-1980s, such a focus appears increasingly marginal. It gives insufficient attention to a series of interrelated cultural and policy changes that have fundamentally altered the place of all families in the American economy. These are:

The collapse of the informal family wage in America. In the last thirty-five years there has been a dramatic increase in the labor force participation rate of married women, particularly those with children. Among all mothers with children under age six, the percentage in the labor force rose from 11.9 percent in 1950 and 18.6 percent in 1960 to 51.8 percent in 1984. Among those with youngest children between ages six and eighteen, the figure climbed from 28.3 percent in 1950 to 65.4 percent in 1984.

Opinions differ regarding the cause of this change. Census numbers suggest that it began among upper-income families, where greater prestige apparently began to be attached to the pursuit of a career. Other data point to enhanced demand for female labor stimulated by the sustained economic and demographic booms of the 1950s and 1960s: expanding corporate and governmental bureaucracies needed secretarial support; burgeoning schools and hospitals needed teachers and nurses.

Outside the narrow circles of feminist scholarship, relatively few researchers and policymakers have accurately gauged the revolutionary consequences of this development. Consider, for example, the Equal Pay Act of 1962 and Title VII of the Civil Rights Act of 1964 which, among other purposes, prohibit most discrimination in employment and wages on the basis of sex. Uncommented on at the time of their passage[3] and seldom noted even today were the devastating effects of state-enforced gender equality in the workplace on the culturally supported family wage. Contrary to prevailing libertarian mythology, the maintenance of "male" and "female" job categories and the gender wage differential were not pure products of the free market; they were, in part, cultural creations designed to deliver a family wage to couples raising children. In consequence, these legal measures requiring equal pay for equal work and mandating the elimination of gender-determined job categories gutted the primary historic American devices for sustaining a family wage economy.

[3] Indeed, the inclusion of the word "sex" in Title VII occurred as a legislative fluke through the efforts of Virginia Representative Howard Smith to scuttle the Civil Rights Act by attaching "silly" amendments to it; neither house of Congress ever held hearings on the meaning or implications of banning sex discrimination in the workplace.

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Of course, the system began to break down a decade before such legal changes occurred, and nearly two decades before a revived feminist movement began claiming retroactive credit. The solitary decisions of individual married women to go to work and the solitary decisions of employers to hire them undermined the unwritten, voluntary code on which the arrangement was based.

It appears, though, that sometime during the 1960s the transformation of the nation from a one-income to a two-income family norm acquired an almost irresistible material momentum. This is the clear implication of the work produced by a group of researchers using an analytical device called "the new home economics." Their analysis shows that in a system where there is a clear difference in the potential earnings of men and women, family bonds and children are encouraged. Within a traditional marriage, the husband with a higher earning capacity gives more time to paid employment and less to unpaid housework. Because of this division of labor, the couple is *better off* than if they operated as individuals, since housework is "cheaper" when supplied by the wife. An increase in the husband's earnings also raises the value of the wife's time at home, reduces the likelihood of her joining the labor force, and tends to encourage births.

These writers also show that when the difference between men's and women's wages is shrinking, the incentives push toward more two-income households, fewer marriages, rising levels of divorce and cohabitation, and a decline in fertility. As University of Chicago economist Gary Becker concludes, the flow of married women into the labor force and the fall in fertility "eventually accelerate even when the growth in female earning power does not." Put another way, a two-income family norm resting on gender equality in earnings potential vastly increases the "opportunity cost" of children and results in a bizarre situation in which economic growth becomes negatively correlated with fertility. The more rapid the rise in real wages, the fewer children there will be.

The "anti-family" contradiction within Social Security. The Myrdals had noted that old-age pensions funded on a social insurance basis discouraged the birth of children. The system's need for new children to pay for future benefits stood in direct conflict with the incentives within each family unit which made childbearing economically foolish. For the first thirty years of its operation, though, the U.S. Social Security system was relatively problem-free. "Contribution" levels, to begin with, remained almost insignificant. In 1947 the maximum annual tax was only $30 per year; as late as 1965, the top figure was still a modest $174. In addition, the unex-

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pected rise in the total fertility rate, from a weighted average of 2.1 children per woman in 1936 to 3.6 in 1955, promised a vast new cohort of young employees for the workplaces of the 1960s and 1970s. This removed the immediate danger of a crippling dependency ratio of retirees to workers. Moreover, this era's Social Security system remained true to the intent of its creators: that it be primarily a supplemental form of income maintenance. In 1957, over half of the elderly still reported receiving income from their children. This compared to only 41.6 percent receiving a check of any size from Social Security.

Then, discipline began to erode. Between 1965 and 1970, Congress regularly increased Social Security benefits and taxes in order to offset increases in the cost of living. Publicity surrounding the 1971 White House Conference on Aging and a newly militant "gray lobby" out to crush "ageism" generated a proposal to increase benefits immediately by 20 percent and to index all future benefit levels to inflation. Congress, convinced at the time that all things were legislatively possible, ignored warnings that such increases flew in the face of rapidly falling fertility in the U.S. It also avoided honest assessment of the relative economic status of the elderly.

In consequence, FICA taxes increased steadily through the 1970s and 1980s to no-longer-insignificant levels. The tax on employees' incomes is now 7.15 percent, up to an annual maximum of $3,003 (employers pay another 7.15 percent). For the self-employed, the rate is 12.3 percent, up to $5,166. This tax falls heaviest on those in the low- or middle-income range, categories where young workers in the childbearing years are disproportionately concentrated. As feared, the negative incentive to children posed by socially funded old-age pensions may have finally become a factor in many private decisions on marriage and procreation.

Social parenting triumphs

The transfer of the income tax burden onto families with children. In the late 1970s a fascinating anomaly began drawing Department of the Treasury analyst Eugene Steuerle's attention. Income from the corporate income tax was steadily declining as a percentage of federal revenue. Unmarried or single taxpayers had won a major tax reduction in the Tax Reform Act of 1969. The standard deduction had been increased several times. Congress was poised to enact a reform reducing "the marriage penalty" affecting some two-income households. Nonetheless, revenues from the income tax were climbing steadily. Who, he asked, was paying for this?

Steuerle found that it was families with dependent children.

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Between 1960 and 1984, he noted, the average tax rate affecting single and married persons without children had not substantially changed. Yet the average tax rate of a couple with two children had climbed 43 percent; for a couple with four children, the increase was a staggering 223 percent. In addition to those already cited policy changes, the cause of this development was the steady erosion of the real value of the personal exemption combined with the rise in real income. If the exemption was to offset the same average percentage of income in 1984 as it did in 1948, it would have been worth $5,600 per person. Instead, it languished at $1,000 (indexed to inflation after 1984).

This transfer of the income tax burden from corporations and childless persons onto married couples with children was, to some extent, unintentional. Nonetheless, there was clear sentiment in Congress during the twenty-five years after 1960 which looked with hostility on "pronatalist" incentives such as the child exemption. The influential 1971 Presidential Commission on Population Growth and the American Future, for example, encouraged a punitive tax stance toward families with more than two children. For these neo-Malthusians, inflation proved to be an effective population-control tool.

The federal subsidization of non-parental child care. The bitter "child development" debate of 1970 culminated in Richard Nixon's successful veto of a bill authorizing $2 billion in support of child development centers. These would have offered "a full range of health, education, and social services" and would have been available, on a sliding fee scale, to all American preschool children. In his veto message, Nixon warned that the measure "would commit the vast moral authority of the Federal government to the side of collective approaches to child rearing as against the family-centered approach."

This victory for traditional forces proved to be pyrrhic. The push for federally financed social parenting schemes simply moved into less divisive, albeit no less revolutionary, channels. In the very year of Nixon's veto, Congress without rancor liberalized income tax deductions for child care costs, labeling them "business expenses." Families with incomes up to $27,600 could now claim a deduction for a portion of child care costs. In 1974, Congress approved the largest single federal program in direct support of child care, Title XX of the Social Security Act. Providing social services that would enable low- and moderate-income families to "achieve or maintain economic self-support," Title XX supported 800,000 children in day

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care by 1977. Congress returned to the child care deduction in 1976, replacing it with a universal 20 percent tax credit for child-care expenses. Granted for annual costs of up to $2,000 for one and $4,000 for two or more dependents, the measure allowed taxpayers, without income ceiling, to credit against taxes owed up to $800. This measure was sold publicly as "tax simplification." In fact, as Senator Edward Kennedy acknowledged on the Senate floor, "we have a child care program in the tax laws," one that was "an extremely important work incentive" for women. In 1984, Congress again raised the child care credit, to a maximum of $960 for those earning over $28,000, rising to $1,440 for those with adjusted gross incomes of $10,000 or less.

Through all this legislative action, Congress gave no consideration to the financial pressures or child care problems facing one-income or schedule-juggling two-income families who give full-time care to their preschoolers (even in 1985, these two groups represent a majority of all families with preschool children). Indeed, Congress implicitly decided that parents who cared for their own offspring would henceforward be taxed at a higher net rate than those who hired someone else to provide the care. The encouragement of social parenting stood as explicit federal policy.

Rebuilding a family wage

The collapse of the cultural family wage, the emergence of a two-income family norm which structurally discourages marriage and children, the growing anti-fertility incentive within Social Security, and the transfer of the income tax burden onto families with children all have occurred within the last twenty-five years. In combination, they represent a powerful disincentive to marriage and family creation. Indeed, the very fact that the majority of young Americans continue to create families proves that economic incentives are not the major factor in such decisions: The human drive to mate and reproduce cannot be crushed by political acts alone.

From this, some defenders of liberal capitalism jump to the conclusion that incentives of a material nature make no difference at all, which relieves us from considering countermeasures. This is a curious argument, particularly when it comes from persons who, almost by definition, believe that economic incentives influence human behavior.

Without discounting the influence of ideologies, attitudes toward life, fashion, and other cultural factors, it is time for at least the political nation to face the social consequences of its acts. It seems

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very likely, for example, that the fall in the U.S. "total fertility rate" from an average of 3.6 children per woman in 1955 to 1.7 in 1977 can be partially explained by policy-induced changes in incentives. So, too, might the trebling of the divorce rate since 1960, the climb in the official number of unmarried cohabitating couples from 523,000 in 1970 to 1,988,000 in 1984, the dramatic rise in the percentage of never-married young adults, and the sharp decline in the percentage of households with children.

Since 1973, the "intrinsic population growth rate" of the United States has been in the negative column. If unchanged, this means that while the population will continue to grow for some years to come due to its age structure and immigration, the current generations in the childbearing years are not reproducing themselves and net population decline will commence during the next century. The existing negative economics of family creation cast a doubt on any reversal of that trend. Most data, in fact, suggest a further decline in fertility, with attendant adverse economic consequences. These would include a declining market and growing problems in funding state old-age pensions.

So, the continuation of the American experiment in free society requires a reweighting of incentives in favor of family life, particularly the restoration of a family wage. It is possible that reconstruction of a culturally supported family wage may occur in the future. Feminist sentiments, for example, have not evidenced constant growth over time. Rather, there have been periods of expansion (1890-1919; 1960-1983) and retrenchment (1920-1960; 1984-?). This suggests the possibility for future shifts in the relative weight given by women to family and work. In any case, though, existing equal pay and civil rights laws militate against an immediate or short-range restoration of the kind of informal family wage found in the first half of the twentieth century.

The alternative is construction of a politically supported family wage. The possibility for a turn in this direction is reinforced by the fact that the largest share of new disincentives towards family creation are the result of actions by the federal government. As a minimum, these disincentives should be eliminated.

One means of accomplishing this task is creation of a universal family allowance program. For example, private allowance funds, such as those found in pre-1939 France, might be encouraged through tax incentives. Unfortunately, the experience of both Belgium and France suggests the partial truth of liberal economist Paul Leroy-Beaulieu's critique offered in 1896: "This theory of a family

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wage is nothing less than the socialist theory of wages related to requirements. It leads straight to collectivism, because it cannot be applied by private persons and can only be put in place by the state." Historically, the inequities of private funds have invariably led to state control.

Of course, a state-run allowance program, operated as part of a complete Social Security system, is another option. The problem is that state family benefits bring an increase in the size of government. In Sweden, high marginal tax rates of 80 percent or more, which family benefits partly mandate, set in at even modest income levels and discourage extra effort to support a family. Experience also shows that state allowances have negative psychological consequences as state dependence becomes taken for granted and the positive incentive effect is lost. The egalitarian impulse implicit in such a state program can have other negative consequences: The pursuit of pure gender equality has led the Swedish government to abolish the joint income tax return. This has had the effect of making the two-income family almost mandatory if the couple chooses to stay above the poverty line. Marital pairs seeking to care for their own pre-school children also find themselves taxed for, but ineligible to receive, certain benefits, such as subsidized meals, that accompany state daycare. Not surprisingly, marriage is vanishing among young Swedes, cohabitation is on the rise, and the Swedish total fertility rate has tumbled to 1.5. Major increases in the value of child allowances in 1979, 1981, and 1985 have had no identifiable effect on these trends.

Pro-family tax

There is one other option to consider. It involves a turn to that distinctively American form of crafting social policy: amending the tax code, this time in a pro-family direction. Taken together, three policy changes would go far toward constructing a workable, politically-supported wage:

1) *Increase the value of the personal exemption, for dependent children only, from $1,040 to $4,000 (fully indexed).* By limiting this increase to dependent children, as currently defined in our tax law, its revenue impact is sharply reduced.

2) *Either:* (a) *Abolish the child care tax credit altogether*, which would restore equity between "working" and "traditional" families in the federal subsidization of the care of pre-school children and bring some compensating revenues into the federal treasury; or (b) *Extend the maximum child care tax credit to parents who provide*

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full-time care to their own preschool children. This approach recognizes that benefits, once granted, are difficult to rescind. Like the former option, it would restore equity in the subsidization of child care, albeit at much greater cost. In a modest manner, too, it would reweight the balance somewhat toward the parental care of preschoolers. It would also give recognition to the socially useful work provided by the mother or father at home.

3) In recognition of Social Security's negative incentives toward children, *create a refundable $500 tax credit for each minor currently claimed as an exemption, up to the total value of the taxpayer's FICA contribution*. An extra $500 credit could be granted to a couple in the year of a child's birth. A precedent for this use of an income tax credit as a child-sensitive offset to Social Security taxes is the Earned Income Credit. Indeed, the credit for children could supplant the EIC as a means of reducing the proposal's negative revenue impact. Since the average newborn will bring over $100,000 back into the Social Security system in his or her lifetime, this indirect social investment of roughly $10,000 in a child, through age eighteen, seems justified.

Under this comprehensive scheme, the couple with three dependent children earning the median 1984 family income of roughly $25,000 would probably pay no federal tax. This would roughly approximate the hypothetical family's relative position in 1948. For those parents with no income at all, due to unemployment or (for single parents) full-time child care, existing means-tested programs such as AFDC would be retained. Since most persons below the poverty line who receive federal support do have dependent children, the creation of child-weighted tax incentives should work somewhat to ease their transition from welfare recipient to worker.

The advantages of using the tax code to create a politically supported family wage are numerous. First, in contrast to family allowances, which mean higher taxes for all and the transformation of families into a state-dependent class, the use of deductions and credits allows families to keep more of what they earn privately. The incentives to extra work on the family's behalf are not only retained, but enhanced through a sharp reduction in the family's marginal tax rate. Second, this scheme avoids opening the family up to bureaucratic manipulation for other ends. To qualify for these tax relief measures, parents need only prove that a dependent child exists, something they already must do to claim the existing exemption. Third, these changes would end the current federal policy of encouraging "social parenting," without imposing a new norm of

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home parenting. Rather, it would give young couples real choices. Fourth, these measures are gender-neutral and can accommodate any variety of work and child-care arrangements that a husband and wife may choose. And fifth, this form of tax relief can be readily justified on the "ability to pay" argument. The financial pressures on the average American are never greater than in the period when he or she is struggling to start a career, begin a family, and buy a home. Logically, tax relief should be concentrated on these years.

A disadvantage of these proposals is that they would, in total, substantially reduce federal tax revenues, an unsettling thought considering continued budget deficits. The only relevant response is that the nation cannot afford a policy stance predicated on the slow ruin of its families and the disappearance of its children. The deficit problem will have to find other solutions.

There is no guarantee that the construction of a politically-supported family wage through the tax code will restore a vital family life in the United States. Prevailing cultural attitudes will determine our fate in the long run. Nonetheless, the creation of a positive family policy along the lines suggested here bears a certain imperative: It is the least and, in another sense, the most that the government of a free people can do.

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Unfounded allegations—a new child abuse problem

DOUGLAS J. BESHAROV

FOR TWENTY YEARS, child advocates have struggled to get child abuse recognized as a serious social problem requiring a sustained governmental response. As current media attention attests, they have succeeded beyond their wildest dreams. A recent Harris poll concluded that the "American public is no longer unaware of child abuse and its consequences. The feeling that child abuse constitutes a major and growing problem is widespread, as is the mandate for government and individual action. Americans want something done to prevent child abuse. . . . "

Child protective efforts now enjoy support across the political spectrum; even those on the political right recognize the need for state intervention to protect endangered children. William F. Buckley, Jr., for example, has written:

> To the extent the Moral Majority types associate themselves with the notion that in no circumstances does the state have the right to intervene between parent and child, they lose their moral authority. It is sometimes difficult to draw the line, but a line simply can and must be drawn between domestic discipline and domestic savagery, and if we need federal prosecutors to guard against reversing the line, why let us have them, in such abundance as is necessary.

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The statistics reflect this change in attitude. In 1984, more than 1.5 million children were reported to the authorities as suspected victims of child abuse or neglect. This is a 10 percent increase over 1983, and about ten times the estimated 150,000 children reported in 1963. Federal and state expenditures for child protective programs and associated foster care services now exceed $3.5 billion a year.

Ironically, this very success now threatens the future viability of child abuse programs. The emotionally charged desire to "do something" about child abuse, fanned by repeated and often sensational media coverage (every day seems to bring a new story of a child being brutally or sexually abused), has led to an understandable but counterproductive overreaction on the part of the professionals and citizens who report suspected child abuse. The nation's child protective agencies are being inundated by "unfounded" reports; about 65 percent of all reports must be dismissed after an investigation.

Besides being a massive violation of parental rights, this flood of unfounded reports is overwhelming the limited resources of child protective agencies, so that they are increasingly unable to protect children in real danger. The situation is steadily worsening because child welfare officials at all levels of government are afraid to tell the public what is happening—and because our political leadership prefers the easy call for more reporting of suspected child abuse to the needed systematic reform, which is more complicated and less newsworthy.

Out from the shadows . . .

Child abuse and child neglect are not new phenomena. "The maltreatment of children is as old as recorded history. Infanticide, ritual sacrifice, exposure, mutilation, abandonment, brutal discipline and the near slavery of child labor have existed in all cultures," notes law professor Sanford Katz.

Nevertheless, until the 1960s, child maltreatment was a social problem largely hidden from public view. Few abused or neglected children were reported to the authorities. Even children with serious—and suspicious—injuries went unreported. A 1968 study in Rochester, New York, for example, revealed that 10 percent of all the children under five treated in a hospital emergency room fell into the "Battered Child Syndrome" and another 10 percent were neglected. The researchers concluded that, had it not been for their study, most of these cases would never have been reported. Two years later, a study in nearby Auburn, New York, determined that of 195 hospital emergency room cases, twenty-six (or approximately

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13 percent) involved children with "suspicious injuries" that should have been reported. None had been.

Reporting was so haphazard that even the murder of children was sometimes not reported as child abuse. A 1972 study by the New York City Department of Social Services, for example, found that the deaths of many children who had been suspected by the Medical Examiner's Offices to be abuse victims, had not been reported to the official registry of abuse and neglect cases. This was not simply a problem of keeping statistics. When abuse fatalities go unreported, the siblings of these dead children are left unprotected.

In the early 1960s a small group of physicians, led by Dr. C. Henry Kempe, became convinced that the only way to break this pattern of indifference was to *mandate* certain professions to report. In 1963, they persuaded the United States Children's Bureau to promulgate a model law that required physicians to report children with a "serious physical injury or injuries inflicted . . . other than by accidental means." The response of the states to this model law was far beyond anything expected. In the short span of four legislative years, all fifty states enacted reporting laws patterned after it.

Initially, mandatory reporting laws were narrowly drafted. Only physicians were required to report and they were only required to report "serious physical injuries" or "non-accidental injuries." In the ensuing years, though, increased public and professional attention, in part sparked by the number of abused children revealed by these reporting laws, led many states to expand their reporting laws: to make more types of child maltreatment reportable, and to increase the categories of professionals required to report. But change was slow and unpredictable, being dependent on shifting political priorities and the vagaries of the legislative process in the various states.

. . . into the limelight

The seeds for more rapid change were planted in 1973. In that year, then-Senator Walter Mondale held a series of hearings on child abuse and neglect. These congressional hearings documented shocking weaknesses in state and local child protective efforts, and clearly moved Mondale and his colleagues. Mondale later wrote that nothing he saw in his nine years as a senator "was as disturbing or horrifying, or as compelling, as the stories and photos of children, many of them infants, who had been whipped and beaten with razor straps; burned and mutilated by cigarettes and lighters; scalded by boiling water; bruised and battered by physical assaults and starved and neglected and malnourished."

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The hearings Mondale held served to galvanize congressional support for action to improve child protective programs. Through Mondale's efforts, as well as those of Representatives Patricia Schroeder, John Brademas, and Mario Biaggi, the Congress passed the Child Abuse Prevention and Treatment Act of 1974.

The new Child Abuse Act required the Secretary of Health, Education and Welfare (now Health and Human Services) to establish a National Center on Child Abuse and Neglect. The National Center was to serve as a clearinghouse for the development and dissemination of information about child protective research and programs. The Center received an annual appropriation of $18.9 million. Most of these funds were used for a wide range of research, demonstration, training, and technical assistance projects. But the act specified that up to 20 percent of each appropriation (about $3.7 million per year) was for special state grants.

This small state grant progam was, in many respects, the most important aspect of the new act. In order to obtain one of these special grants, states had to meet specified eligibility requirements. Only three states were able to satisfy these requirements in 1973. What happened in the next six years was just as remarkable as the quick adoption of the first reporting laws ten years earlier. State after state passed new child protective laws and made the programmatic improvements needed to qualify for federal aid. By 1978, forty-three states, the District of Columbia, Puerto Rico, Guam, and American Samoa had established the comprehensive child protective systems required by the act. In 1984, three more states and the Northern Marianas Islands also qualified.

What accounts for this rapid advance in state child protective capabilities? Certainly, it was not the amount of the state grant. In the years involved, the average state grant was a mere $80,000—far less than the costs of these expanded programs. The state grant program, together with other National Center activities, served as a catalyst for making the improvements long advocated by child protective specialists. Reformers were able to cite the eligibility requirements as a congressional endorsement for the changes they proposed. (Often, though, it took a child's tragic and well-publicized death to break legislative and bureaucratic logjams.)

Among the federal act's eligibility criteria was a requirement that states broaden their child abuse reporting laws. Thus, in the process of establishing eligibility, states had to amend their reporting laws to require the reporting of *all* forms of child maltreatment. As a result, almost all states now have laws which require the reporting of suspected physical abuse, sexual abuse and exploitation,

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physical neglect, and emotional maltreatment. Although these terms are never adequately defined, state laws impose civil and criminal penalties on medical, educational, social work, child care, and law enforcement professionals who fail to report. These laws also have provisions which encourage all persons—including friends, neighbors, and relatives of the family—to report suspected maltreatment. In fact, nineteen states require all persons to report suspected child abuse.

These mandatory reporting laws, and associated public awareness campaigns, have been strikingly effective. The number of children reported to the authorities because of suspected child abuse or neglect rose from 150,000 in 1963 to 610,000 in 1972, and to 1.5 million in 1984. These statistics led President Carter to say: "One of the most serious blights on the prospects for the children of our country is child abuse and the damage that results from it."

Many people ask whether this vastly increased reporting signals a rise in the incidence of child maltreatment. While some observers believe that deteriorating economic and social conditions have contributed to a rise in the level of abuse and neglect, there is no way to tell for sure. So many maltreated children previously went unreported that earlier reporting statistics do not provide a reliable baseline against which to make comparisons. One thing, however, is clear: The great bulk of reports now received by child protective agencies would not have been made but for the passage of mandatory reporting laws and the media campaigns that accompanied them.

One must be impressed with the results of this twenty-year effort to upgrade child protective programs. Increased reporting and specialized child protective agencies have saved many thousands of children from death and serious injury. In New York State, for example, within five years of the passage of a comprehensive reporting law which also mandated the creation of specialized investigative staffs, there was a 50 percent reduction in child fatalities, from about 200 a year to under 100. Similarly, Drs. Ruth and Henry Kempe, well-known leaders in the field, report that: "In Denver, the number of hospitalized abused children who die from their injuries has dropped from 20 a year [between 1960 and 1975] to less than one a year."

"Suspected" child abuse

Despite this progress, we now face an imminent social tragedy: the nationwide collapse of child protective efforts caused by a flood

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of unfounded reports. Nationwide, about 65 percent of all reports prove to be "unfounded," that is, they are dismissed after investigation. This is in sharp contrast to 1975, when only about 35 percent of all reports were "unfounded."

New York State has one of the highest unfounded allegation rates in the nation, and its experience illustrates how severe the problem has become. Between 1979 and 1983, as the number of reports received by the state's Department of Social Services increased by about 50 percent (from 51,836 to 74,120), the percentage of substantiated reports fell almost 20 percent (from 42.8 percent to 35.8 percent). In fact, the *absolute number* of substantiated reports actually fell by about one hundred. Thus, almost 23,000 additional families were investigated—while fewer children were aided.

More troubling, the determination that a report is unfounded can only be made after an unavoidably traumatic investigation that is, inherently, a breach of parental and family privacy. To determine whether a particular child is in danger, caseworkers must inquire into the most intimate personal and family matters. Often, it is necessary to question friends, relatives, and neighbors, as well as school teachers, daycare personnel, doctors, clergymen, and others who know the family.

Richard Wexler, a reporter in Rochester, New York, tells what happened to Kathy and Alan Heath (not their real names): "Three times in as many years, someone—they suspect an 'unstable' neighbor—has called in anonymous accusations of child abuse against them. All three times, those reports were determined to be 'unfounded,' but only after painful investigations by workers. . . . The first time the family was accused, Mrs. Heath says, the worker spent almost two hours in my house going over the allegations over and over again. . . . 'She went through everything from a strap to an iron, to everything that could cause bruises, asking me if I did those things. [After she left] I sat on the floor and cried my eyes out. I couldn't believe that anybody could do that to me.' Two more such investigations followed.

"The Heaths say that even after they were 'proven innocent' three times, the county did nothing to help them restore their reputation among friends and neighbors who had been told, as potential 'witnesses,' that the Heaths were suspected of child abuse."

Laws against child abuse are an implicit recognition that family privacy must give way to the need to protect helpless children. But in seeking to protect children, it is all too easy for courts and social agencies to ignore the legitimate rights of parents. *Each year, over*

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500,000 families are put through investigations of unfounded reports. This is a massive and unjustified violation of parental rights. As Supreme Court Justice Brandeis warned in a different context, "Experience should teach us to be most on guard to protect liberty when the government's purposes are beneficent."

Overreporting and underinvestigating

The high rate of unfounded reports is sometimes defended by child protective specialists on the ground that a degree of overreporting is necessary to identify children in danger. To an extent, of course, they are correct. This is why the law mandates the reporting of "suspected" child abuse. But unfounded rates of the current magnitude go beyond anything reasonably needed. Worse, they endanger children who are really abused.

The flood of unfounded reports is overwhelming the limited resources of child protective agencies. For fear of missing even one abused child, workers perform extensive investigations of vague and apparently unsupported reports. Even when a home visit or an anonymous report turns up no evidence of maltreatment, they usually interview neighbors, school teachers, and daycare personnel to make sure that the child is not abused. And, as illustrated by what happened to the Heaths, even repeated anonymous and unfounded reports do not prevent a further investigation. But all this takes time.

As a result, children in real danger are getting lost in the press of inappropriate cases. Forced to allocate a substantial portion of their limited resources to unfounded reports, child protective agencies are increasingly unable to respond promptly and effectively when children are in serious danger.

Callers attempting to report suspected child abuse to New York State's Central Register, for example, are often placed on hold for ten to fifteen minutes; about 50 percent hang up before a register worker answers the phone. Across the country, staff shortages delay the initiation of investigations; it is not unusual to see reports left uninvestigated for a week and even two weeks after they are recieved. The extent of investigations is also limited, so that key facts often go undiscovered in the caseworker's rush to clear the case. Dangerous home situations likewise receive inadequate supervision, as workers must ignore pending cases as they investigate the new reports that daily arrive on their desks. Again, statistics from New York illustrate the extent of the problem. Forty days after the oral report, New York City workers still have not made a home visit in 11 percent of all cases; they have not yet seen 22 percent of reported chil-

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dren; and they have not yet interviewed 17 percent of alleged perpetrators.

Decision making also suffers. Staggering caseloads breed errors in judgment. After dealing with so many cases of no real danger to children, caseworkers are desensitized to the obvious warning signals of immediate and serious danger. Many children are left in the custody of parents who have repeatedly abused them. One study of child abuse fatalities, for example, described how "in two of the cases, siblings of the victims had died previously. . . . In one family, two siblings of the victims had died mysterious deaths that were undiagnosed. In another family, a twin had died previously of abuse."

These nationwide conditions help explain why from 35 percent to 55 percent of all child abuse fatalities involve children previously known to the authorities. Tens of thousands of other children suffer serious injuries short of death while under child protective agency supervision.

In one Iowa case, for example, the non-custodial father reported to the local department of social services that his thirty-four-month-old daughter had bruises on her buttocks; he also told the agency that he believed that the bruises were caused by the mother's live-in boyfriend. The agency investigated and substantiated the abuse. (The boyfriend was not interviewed, however.) At an agency staffing the next day (two days after the initial report), a decision was made against removing the child from the mother's custody, and, instead, to make follow-up visits coupled with daycare, counseling, and other appropriate services. *But no follow-up visit was made.* Eight days later, the child was hospitalized in a comatose state, with bruises, both old and new, over most of her body. The child died after three days of unsuccessful treatment. The boyfriend was convicted of second degree murder, and the father sued the agency for its negligent handling of his report. The case was settled for $82,500.

Hire more investigators?

This inability to handle the rapidly increasing number of reports leads many child abuse professionals to call for the hiring of more caseworkers to investigate reports, to initiate court proceedings, to supervise home situations, and to provide long-term, intensive treatment of families. Expanding staffs to handle all the valid and invalid reports now being made, however, would be enormously expensive—and would be an unwise use of limited resources.

Consider only the costs associated with supervisory home visits.

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Because of staff shortages, the average family under home supervision receives only about six visits over a six-month period, after which the case is closed or forgotten in the press of other business. An evaluation of the first round of federal child abuse demonstration projects, though, found that to reduce "re-incidence" at all, parents must be seen "on a weekly basis at least for the first six months of treatment," and regularly thereafter until they can adequately care for their children. There are about 300,000 families in this category. Increasing the number of home visits for these families from the present six to the needed forty a year (at an average cost of $50 for each visit) would add about a half-billion dollars to the nation's bill for child protective services.

Past expansions of services for abused children were able to rely on the relative availability of federal funds. Now, at all levels of government, social service programs are being cut back rather than being increased. No one is seriously proposing more than token staff increases to meet this enormous need, and even these modest requests are being denied. Yet we continue to squander scarce child protective resources on investigations of the ever-increasing number of unfounded reports.

Some child protective specialists seek to minimize the size of the problem by claiming that the high number of unfounded reports merely demonstrates how difficult it is to discover evidence of child abuse. Moreover, they argue, unfounded reporting is not as bad as it seems, because workers sometimes wrongly determine that a report is unfounded, and they sometimes declare a report unfounded as a means of caseload control. Accordingly, if child protective agencies had more staff, they would label fewer reports unfounded. But they do not have more staff, and the fact remains that these cases are accepted, investigated, and then closed.

More importantly, there is convincing evidence that the great bulk of unfounded reports involve situations that do not amount to child maltreatment or for which there is no "credible evidence" to even suspect child abuse, the legal test for determining the validity of a report. Furthermore, these kinds of inappropriate reports seem to be encouraged.

A scattershot policy

Existing child abuse reporting laws, patterned to meet federal requirements, are vague and overbroad. In a well-meaning effort to identify the greatest number of endangered children, reporting mandates are intentionally phrased to include children who have

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not been seriously injured—in fact, to include children who have not yet been either abused or neglected. Typical legislation requires a report with conclusory phrases such as: when the child's "environment is injurious to his welfare," when the parents are "unfit to properly care for such child," or the blatantly tautological, when the child is suffering from "abuse or neglect." These laws encourage would-be reporters to report *any* minor assault, *any* suggestion of sexual abuse, and *any* marginally inadequate child care, without regard to the real danger to the child—and without regard to the harmful consequences of an unfounded report.

Educational materials tend to parrot the provisions of these laws, using pat phrases and ambiguous indicators that do nothing to help the public and professionals decide whether a report should be made. Manuals in a number of states, for example, define emotional abuse to include the failure to provide a child with "adequate love."

There is a recent tendency to tell people to report children whose behavior suggests that they may have been abused—even in the absence of other evidence of maltreatment. These "behavioral indicators" include, for example, children who are withdrawn or shy as well as children who are "unnaturally" friendly to strangers. That only a small minority of children who exhibit such behaviors have, in fact, been abused does not prevent them from being used as the basis for reporting.

In most training sessions, potential reporters are told to "take no chances," and to report any child for whom they have the slightest concern. Ten years ago, when professionals were narrowly construing their reporting obligations to avoid taking action to protect endangered children, this approach may have been needed. Now, though, all it does is insure that child abuse hotlines will be inundated with inappropriate and unfounded reports: A child has a minor bruise and, whether or not there is evidence of parental assault, he is reported as abused. A child is living in a dirty household and, whether or not his basic needs are being met, he is reported as neglected.

After one such report, Elaine K. lost custody of her eight-year-old son and sixteen-month-old daughter for a week. School authorities reported suspected child abuse because he had minor bruises on his face. They reported him even though *he* explained that he got them while playing baseball. And the police placed him in a foster home and his little sister in a shelter even though he also told them about his baseball accident—and even though they had no other

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evidence of maltreatment. Only after the mother hired a lawyer was she able to get a judge to throw the case out of court.

The current operation of child abuse hotlines adds to the problem of unfounded reports. Afraid that a case they reject will later turn into a child fatality, most hotlines shirk their central responsibility to screen reports before assigning them for investigation. According to the American Humane Association, only a little more than half the states allow their hotline workers to reject reports, and even those that do usually limit screening to cases that are "clearly" inappropriate.

Imagine a 911 system that cannot distinguish between life threatening crimes and littering. That is the condition of child abuse hotlines. Many hotlines will accept reports even when the caller can give no reason for suspecting that the child's condition is due to the parent's behavior. This writer observed one hotline accept a report that a seventeen-year-old boy was found in a drunken stupor. That the boy, and perhaps his family, might benefit from counseling is not disputable. But that hardly justifies the initiation of an involuntary child protective investigation.

The large number of unfounded reports does not mean that most abused children are now being reported. Far from it. Professionals —physicians, nurses, teachers, social workers, child care workers, and police—still fail to report half of the maltreated children whom they see. According to a 1979 study conducted for the U.S. National Center on Child Abuse and Neglect, *each year about 50,000 children with observable injuries severe enough to require hospitalization are not reported.*

Non-reporting can be fatal to children. A study in Texas revealed that, during a three-year period, over 40 percent of the approximately 270 children who died as a result of child maltreatment had not been reported to the authorities—even though they were being seen by a public or private agency (such as a hospital) at the time of death or had been seen within the past year.

Child protective proceedings are confidential, so that few of these tragedies come to public attention. But enough do so that all communities have had their share of news stories about children who have been "allowed" to die. What follows is a spate of editorials calling for action to protect children, more TV and radio spots calling on people to report suspected abuse, another brochure or conference for professionals describing their legal responsibility to report, and, perhaps, a small increase in agency staffing. The main result of these periodic flurries of activity is increased numbers of unfounded reports.

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Certainly, more complete reporting of suspected maltreatment must be a continuing priority. Nevertheless, reducing the harmfully high rate of unfounded reports must be given an even higher priority. To call for more careful reporting of child abuse is not to be coldly indifferent to the plight of endangered children. Rather, it is to be realistic about the limits to our ability to prevent child abuse. If child protective agencies are to function effectively, they must be relieved of the growing burden of unfounded reports. Otherwise, increasing the number of reports will only increase the number—and proportion—of children ineffectually and harmfully processed through the system.

A strategy for success

Few unfounded reports are made maliciously. Most involve an honest desire to protect children coupled with confusion about when reports should be made. Hence, much can be done to reduce the number of unfounded reports without discouraging reports of children in real danger.

First, reporting laws and associated educational materials and programs must be improved to provide practical guidance about what should be reported—and what should not. They should call for reporting only when there is credible evidence that the parents have already engaged in seriously harmful behavior toward their children or that, because of severe mental disability or drug or alcohol addiction, they are incapable of providing adequate care. The parent's behavior need not have already seriously injured the child for it to be considered seriously harmful. A report should be required if the parent's behavior was capable of seriously injuring the child. The criminal law would call such behavior an "attempt" or "reckless endangerment." While such terms are not applicable to child protection (because they imply a higher degree of intent than is necessary and because they seem to exclude situations of child neglect), the criminal law's fundamental reliance on past wrongful conduct as the basis for state intervention has equal validity for child protective intervention.

Second, the liability provisions of state reporting laws should also be modified. Most reporting laws penalize the negligent failure to report while granting immunity for incorrect, but good faith, reports. This combination of provisions encourages the overreporting of questionable situations. Fearful of being sued for not reporting, some professionals play it safe and report whenever they think there is the slightest chance that they will subsequently be sued for not doing so. To reduce this incentive for overreporting, six states

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already limit civil liability to "knowing" or "willful" failures to report. All states should do so.

Third, child abuse hotlines should fulfill their responsibility to screen reports for initial sufficiency. They should reject reports whose allegations fall outside the agency's definitions of "child abuse" and "child neglect," as established by state law. They should also reject reports when the caller can give no credible reason for suspecting that the child has been abused or neglected or when the report's unfounded or malicious nature is apparent.

Fourth, the federal government should update its policies. Since the passage of the Child Abuse Prevention and Treatment Act in 1974, it has mandated states to seek the reporting of ever-greater numbers of abused children—without regard to the validity or appropriateness of reports. While this one-dimensional approach may have been justified ten years ago when few reports were made, these requirements have remained essentially unchanged in the face of ever-increasing numbers of unfounded reports.

The Reagan administration has voiced its strong commitment to family rights, but bureaucratic unresponsiveness and fear of being labelled as "for" child abuse (or at least insensitive to it) have apparently prevented it from taking action on this problem. Instead, it has funded three small research projects to explore why so many unfounded reports are being made. While further research will perhaps shed additional light on the problem, the plain fact is that we already know enough about the problem, and its tragic consequences, to take action now. The federal child abuse regulations should be amended to encourage states to be more careful about the reports they receive. In fact, the regulations should establish a combination of incentives and penalties to pressure states to take the steps described above.

Child abuse fury

Doing something about the growing problem of unfounded reports (and it is still growing) requires telling the American people that current reporting statistics are badly inflated by unfounded reports. Up to now, most child welfare officials—in federal, state, and local agencies—have lacked the courage to do so, because they fear that such honesty will discredit their efforts and lead to budget cuts.

Their political superiors have found it too easy to go along. Favorable media coverage is almost guaranteed to any politician who promises to "do something" about child abuse. As syndicated col-

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umnist George F. Will has written, "there is no political force comparable to the fury generated by injuries done to children."

What could be more obvious, and less controversial, than to call for more reporting through tougher child abuse laws and more public and professional education? In California last year, over fifty child abuse bills were introduced, concerning everything from new reporting requirements to longer jail terms for abusers. Over forty child abuse bills were introduced in New York. In the present atmosphere, any politician calling for greater care in reporting would be quickly branded as a right-wing (or left-wing) ideologue, or, worse, as being callously indifferent to child abuse.

Therefore, the necessary first step in reducing harmfully high rates of unfounded reporting of child abuse must be a general lowering of child abuse rhetoric. A more responsible use of statistics would be a good start. Child maltreatment is a major social problem. Each year, about 1,000 children die in circumstances suggestive of child maltreatment. But its extent and severity must be kept in perspective.

We regularly hear that there are upwards of a million maltreated children (including those that are not reported). This is a reasonably accurate estimate, but the word "maltreatment" encompasses much more than the brutally battered, sexually abused, or starved and sickly children that come to mind when we think of child abuse. In 1979 and 1980, the federal government conducted a National Study of the Incidence and Severity of Child Abuse and Neglect. According to this congressionally mandated study, which collected data for twelve months from a representative sample of twenty-six counties in ten states, only about 30 percent of these "maltreated" children are physically abused, and only about 10 percent of these children (3 percent of the total) suffer an injury severe enough to require professional care. About 7 percent are sexually abused (probably a low figure) and about 20 percent are emotionally abused, mainly "habitual scapegoating, belittling and rejecting behavior."

Almost 50 percent of these "maltreated" children are neglected, a term that includes educational neglect (27 percent of the total); emotional neglect, *i.e.*, "inadequate nurturance" and "permitted maladaptive behavior" (9 percent of the total); failure to provide needed medical care (8.5 percent); abandonment and other refusals of custody (4 percent of the total); and failure to provide food, clothing, and hygiene (3 percent of the total). While some forms of child neglect can be just as harmful as physical abuse (more children die of neglect than from abuse), the plain fact is that the vast

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majority of these children face no real danger of physical injury. In fact, about 55 percent of these neglected children live in single-parent households and are on public assistance. (The comparable figure for abused children is about 35 percent.) Their "maltreatment" is largely related to their family's poverty and broader social needs. Protecting these children means lifting their parents from the grinding poverty within which they live.

Recognizing these realities would go a long way toward reducing the current hysteria about child abuse. It would also make people less likely to believe that every bruised child is an abused child.

The major responsibility for clarifying the nature and extent of "child maltreatment" lies, of course, with child welfare professionals and their political superiors. But the media could also help. When child abuse cases come to light, newspapers, TV, and radio focus on the sensational details of unproven charges, and follow up with editorials about helpless children and the need for more reporting. *The New Republic's* "TRB" complains: "A lot of the graphic horror stories in the press are little more than child porn, published or broadcast because editors and producers want to titillate. And when they're not being salacious, the media is being mawkish, which sells almost as well."

The media also can be counted on to publish statistics about the increase of reports from the previous year, but rarely mentioned is the concomitant increase in unfounded reports. A more balanced approach, which educates the public about the complexities of child protection, would help those seeking a more measured response to child abuse.

Toning down the rhetoric

To continue to ignore the present harmfully high level of unfounded reports is to court disaster. In the short run, it may be possible to avoid admitting that the reporting system has serious shortcomings. In the long run, though, already-severe problems will worsen—and become more visible to outsiders. As more people realize that hundreds of thousands of innocent people are having their reputations tarnished and their privacy invaded while tens of thousands of endangered children are going unprotected, continued support for child protective efforts will surely erode.

Already, a national group of parents and professionals has been formed to represent those falsely accused of abusing their children. Calling itself VOCAL, for Victims of Child Abuse Laws, the group publishes a national newsletter and has about 3,000 members in

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almost 100 chapters formed or being formed. In California alone there are ten. In Minnesota, VOCAL members collected 2,000 signatures on a petition asking the governor to remove Scott County prosecutor Kathleen Morris from office because of her alleged misconduct in bringing charges, subsequently dismissed, against twenty-four adults in Jordan, Minnesota. In Arizona, VOCAL members were able to sidetrack temporarily a $5.4 million budget supplement which would have added seventy-seven investigators to local child protective agencies.

Perhaps it is unduly optimistic to call for a more balanced approach to a social problem like child abuse that arouses such an emotionally charged desire to "do something." But it is worth a try.

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The California work/welfare scheme

DAVID L. KIRP

"There's no use trying," said Alice. "One can't believe in impossible things."
"I daresay you haven't had much practice," said the Queen. "When I was your age, I always did it for half the day. Why, sometimes I believed as many as six impossible things before breakfast."

Lewis Carroll, Through the Looking Glass

FOUR CENTURIES AGO, plagued by mobs of angry peasants unable to support themselves, the French city of Lyon put in place its "vision of peace." That "vision" seems peculiarly anachronistic, for what Lyon did bears marked resemblance to the schemes propounded by contemporary architects of welfare reform. The truly needy received cash assistance; the sick got free medical attention; schools were established to teach basic literacy, on the theory that this training would make its beneficiaries more readily employable; and manufacturers who accepted poor children as apprentices received a public subsidy. There was even a version of workfare for the incorrigibles, which took the form of ditch-digging.

The "vision of peace" did not bring an end to Lyon's welfare problem, even as the harsh English Poor Laws, which originated in

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the same period, did not keep a considerable proportion of Britain's population off the relief rolls. But if the grim historical fact that economic and social conditions have been impervious to the best efforts of the reformers, mean-spirited and kind-hearted alike, if neither the poorhouse state nor the welfare state has been able to bring an end to dependency on terms acceptable to the polity, the aspiration to revise the long-standing trend remains unchanged.

"Welfare is a public business," Gilbert Steiner observed some years ago in *The State of Welfare*, "whose liquidation under honorable conditions has been a stated goal of America's political leaders from Franklin Roosevelt to Richard Nixon." Nothing has changed since; were he writing today, Steiner could simply substitute Reagan's name for Nixon's. Although there has been much debate over the particulars of policy, in its essentials the statecraft of welfare seems hardly to have advanced. From Roosevelt's time until our own, the disputants have engaged in an endless paraphrase of the famous exchange between F. Scott Fitzgerald and Ernest Hemingway, with some experts arguing that the poor are different from us, others insisting that the real difference is that they simply have less money.

Welfare is an arena littered with failed innovations, the best analyses of which bear such disheartening titles as *Why is Welfare So Hard to Reform?* and *The Elusive Consensus*. The rhetoric of policy has evolved from the moral language of obligation to the economists' language of incentives and back again. Policy strategy at the federal level has shifted from the public works programs of the 1930s to the social workers' emphasis on "caseworking" the indigent out of poverty which formed the dominant vision of the Great Society, to the economists' efforts to calibrate what level of support would offer both adequate assistance and an incentive to work. More recently, there has been a single-minded focus on cost-cutting.

Even with these transformations, even with the considerable intellectual journey from Michael Harrington's *The Other America* to Charles Murray's *Losing Ground* that we have travelled in just two decades, significant changes in the character of both the workforce and the dependent population have led to a continuous expansion of the welfare rolls, a pattern largely unresponsive to the normal economic cycles. Though the politicians' lexicon still features "solution" as its favorite word, what we have learned is how hard it is to tamper with the conditions of the marketplace and, simultaneously, with the calculus of individual response. Neither the economists' vision of cash grants coupled with inducements to work nor the moralists' single-minded hope of character-building can alone transform welfare dependency.

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Yet in seeming disregard of history, and the odds, states are busily testing new approaches to the ancient problem of work and welfare. Invited to experiment by 1981 federal legislation, most states have combined the rhetoric of obligation with the reality of new work requirements and services. Change has been embraced cautiously for the most part, with small programs being closely watched. Some states have insisted that recipients work for their welfare keep; others have developed sequences that commence with instruction in how to find a job and continue, for those who remain unplaced, with short-term mandatory public employment. Certain initiatives amount to little more than forcing the poor to do the drudge-work; these are twentieth-century versions of ditch-digging in Lyon. But elsewhere, most notably in Massachusetts and California, the combination of generous benefits, sophisticated education and training programs, and child care adds up to something that, though no elixir, holds real if modest promise.

In economic terms, the contemporary welfare dilemma may be phrased this way: How does government provide a reasonable level of benefits and maintain incentives to work, both regarded as good things, without spending at politically unacceptable levels? For all the economists' diligent attempts to devise effective incentive formulas, the conventional response is that this dilemma cannot be resolved, since the goals themselves are mutually exclusive. The best of the new programs abandon the idea of work incentives as unworkable because of the constraints of cost and levels of support. Instead of persuasion, they link benefits with work or training requirements. In the short run, this approach requires a substantial commitment of public dollars, for training is costly. Yet if it succeeds in moving individuals more quickly off welfare, and moving them off for longer periods, it makes economic sense.

The dilemma of welfare is normative as well as economic: How does one devise a system that helps the needy without also rewarding indolence or folly? Liberals have shied away from imposing their own norms of behavior and inflicting punishment on individuals who violate those norms. For their part, conservatives have stressed the moral importance of sanctions, both to prevent welfare abuse and to preserve the legitimacy of the institution itself. The exemplary new programs seek to resolve this tension by combining high levels of support with sanctions for those who break the rules.

GAIN, no pain

Among these welfare plans, California's GAIN (Greater Avenues to Independence), adopted in 1985, has attracted the greatest atten-

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tion. California has built on an already ample benefits scheme, the most generous of any state except Alaska and Hawaii. It has borrowed the most plausible ideas being tried elsewhere, adding a few innovations of its own. The GAIN plan concentrates on an estimated 190,000 welfare recipients, slightly more than one-third of the adults on the welfare rolls, comprising mostly mothers with school-age children; others who are not required to participate, including mothers of preschool youngsters, may volunteer. The state's ambition sounds familiar: to get those recipients into jobs that will keep them permanently out of the welfare system. But the mix of strategies that California has chosen is impressive in its variety as well as in its attentiveness to important differences in the abilities and backgrounds of would-be job seekers.

An initial screening winnows out the non-English speakers on the welfare rolls, providing them with English language instruction before their job searches commence. Welfare recipients are also differentiated on the basis of their past work histories. Because, as recent studies of the duration of stays on welfare conclude, those who have held a job during the last two years can most easily be placed, they are initially enrolled in a three month "job club," where they brush up on the skills needed to get inside an employer's door. For a sizeable number of recipients, that modest training is all that is needed. In a San Diego experimental program, women who participated in job search classes were 20 percent more likely to be employed six to nine months later than those who did not participate.

Those who do not find jobs after the initial job club have alternatives that include up to two years of on-the-job training, subsidized private employment, and vocationally oriented community college. Their preferences are critical. So too is the commitment expected of them. Recipients negotiate a contract with the caseworker that binds both the individual and the welfare bureaucracy; the legal imagery of reciprocal expectations is quite deliberate. Those who have not worked for more than two years skip the job club stage, on the theory that their shortcomings are more basic, and enroll immediately in a training program that fits their preferences and competencies.

Recipients who remain unemployed after having been through a training program are required to work for the state, for no more than a year, in order to pay off their welfare checks. This is what is generally called workfare, but the California variant is a far cry, at least in aspiration, from the punitive schemes that conservatives have long advocated. These workfare jobs are valued at the same hourly rate as the average starting salary in the state, presently

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over $5. They are intended not as busy-work but as preparation for permanent employment; indeed, supervisors are supposed to know their workers well enough to write references for them. Finally, if there is still no job in sight after a year on workfare, the cycle of training begins again.

California acknowledges that more than training is required if welfare mothers are going to take advantage of what's being offered. That is why there is state aid for everything from personal counseling, designed to ease the transition out of the home, to subsidies for commuting. Most important, and certainly most expensive, California will spend at least $134 million annually (the precise figure depends on actual use) to purchase after-school child care for the offspring of working mothers. This is among the most ambitious public child care ventures since the federal government got out of the nursery business after World War II.

Unlike programs in some states, including Massachusetts, the California program requires that every eligible welfare recipient participate. Recipients who break the rules—who do not show up at their workfare job, for instance—are penalized, ultimately losing a fraction of their welfare checks. But the idea behind the California scheme is not to save money by "sanctioning" people off the rolls and onto the streets. Instead, there is a delicate balance of expectations on both sides, with penalties graduated to induce compliance and elaborate procedural safeguards introduced as a hedge against bureaucratic abuse.

The GAIN program is a patchwork of policy ideas, all of which have been tried before but never in this combination and never with such generous promised support. More noteworthy, in light of the acrimonious history of welfare reform, is the bipartisan support that the plan has generated. The emergent social policy consensus about welfare may matter more than the particulars.

"Brood mares" and "slave fare"

Welfare has long been a favored terrain for ideologues of both the left and the right. Liberals have regularly insisted that a welfare check is an entitlement that should come with no strings attached, and have assailed the idea of putting recipients to work as institutionalized slavery. Conservatives have sounded even more demagogic when they tell horror stories of ripoff artists—"brood mares," in the all-too-memorable phrase of Senator Russell Long—who pick up their checks in gold Cadillacs.

On this battlefield, workfare has been among the conservatives' favorite weapons. There has been some confusion about who is sup-

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posed to benefit, the individual or the society, and this has given the idea of workfare a morally ambiguous cast. Workfare has been presented both as a way for society to get its most distasteful jobs done on the cheap and as a signal that it is fair to require the labor of any able-bodied adult who makes a claim on society's largesse.

Requirements that recipients work for their keep have been on the books since the enactment of the federal Work Incentive (WIN) program in 1968. Those strictures were designed primarily to cut costs, an acute concern in light of the eight-fold increase in the welfare rolls between 1960 and 1970 and the near-universal reliance on welfare benefits by those eligible for them during this same period. "What America needs now is not more welfare but more workfare," Richard Nixon declared at the time. But America got little of either. Benefits ceased to keep pace with inflation, the WIN job training programs were never big enough to enroll more than a tiny fraction of those who were theoretically obliged to participate, and the promised child care rarely materialized. WIN quickly became more a symbol than a program, a way of muting public criticism of the welfare system by identifying the poor as needing more than money for their rehabilitation. But to the recipients themselves—many of whom, to the surprise of conservatives, regarded meaningful work as an attractive idea—the possibility of training proved a hoax.

The inability of WIN to move significant numbers of recipients into gainful employment led careful observers such as Gilbert Steiner of the Brookings Institution to argue that "the more realistic approach [to reform] would be to accept the need for more welfare and to reject continued fantasizing about daycare and 'workfare' as miracle cures." "Ineffective and inoperative" was economist Henry Aaron's verdict. "To inspire hard work is a laudable goal, but one not likely to be achieved through a work requirement without more authoritarian administration than most Americans are likely to accept."

In no state were the shortcomings of workfare more evident than in California, one of only three states to put such a plan in place during the 1970s. Though the California Work Experience Program (CWEP), launched by Governor Reagan, was supposed to deliver 30,000 jobs, at its peak it managed only slightly more than 1,000 placements, many of them jobs invented by government itself. And the fact that this was a Reagan proposal gave it a highly partisan cast. A 1976 evaluation, conducted by the state's Employment Development Department during Jerry Brown's administration, concluded without evident distress that CWEP "did not prove to be administratively feasible and practical."

When George Deukmejian became governor in 1982, he pledged

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to revive workfare on a statewide basis, but strong opposition in the Democrat-controlled legislature blocked his efforts. Those who chaired the key legislative committees damned the concept as "forced labor" and "sing for your supper" and for two years running buried the governor's bill.

Numbers partly explain how the opposition lost its dominant position in the workfare debate. During the 1980s, the welfare rolls grew twice as rapidly as the state's population. Recipients were staying on welfare longer and were less likely to report any earnings from work. Welfare costs, $1.7 billion in 1984-85, kept rising slowly but inexorably, fueling resentment among the voters.

Polltakers reported that support for Proposition 13, the widely popular measure that slashed the state's tax revenue in 1978, came largely from a desire to control welfare expenditures. An initiative intended explicitly to reduce welfare stipends failed in 1984, but it was artless drafting—the measure would also have cut medical benefits for the elderly—and not a change in popular preferences that sunk the measure. This widespread unhappiness with the existing welfare system kept the pressure on the politicians to do something.

Data from a San Diego County workfare experiment were also deployed effectively by those who believed that work requirements would have a positive impact. The findings themselves were mixed. Workfare, as opposed to job search workshops, had only a modest effect on recipients' ability to find work; and men who participated in the program benefited little. But the positive evidence was seized upon by the advocates of reform, while their opponents made little use of the counterarguments. Moreover, those enrolled in workfare did not regard themselves as abused by the experience. They expressed enthusiasm for the training they were getting; overwhelmingly, they believed that the work requirement was a fair one. And though the San Diego venture was small, with only a fraction of new welfare applicants required to go through both job search and workfare, it suffered none of the administrative snafus that would have branded workfare as itself administratively unworkable.

The give and take of reform

Most important to the success of welfare reform in California was the transformation of the issue from a question of ideology to a question of interest-group politics. If welfare is comprehended in ideological terms—as a matter of waste, fraud, and abuse on the one side; as a matter of unconditional entitlement on the other—then there is no room for bargaining. The genius of the key negotiators,

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Democratic Assemblyman Art Agnos and Republican Secretary of Health and Welfare David Swoap, was to develop a set of shared principles about what constitutes a just welfare system; what then became negotiable were the particulars. Using that strategy, Agnos and Swoap altered the basic character of the issue, building a program that borrowed from both liberal and conservative conceptions of fairness. The critical shifts were the Democrats' willingness to impose work requirements, including sanctions that gave bite to those requirements, and the Republicans' willingness to underwrite sizeable new training and child care, transforming obligations into potential opportunities.

The transformation of the welfare issue in California is not without its ironies. It demonstrates that reports of the demise of a welfare strategy emphasizing the delivery of services (rather than a guaranteed income) to the poor—the approach that was much in vogue during the 1960s—have been greatly exaggerated. And it provides a back-door route to substantial increases in welfare expenditure, substantially redistributing resources to the poorest segment of the society. The intention of the initial proponents of workfare was precisely the opposite: to reduce levels of public spending by cutting welfare costs.

Redefining the terms of the welfare-workfare debate had powerful political consequences. Swoap was able to persuade Governor Deukmejian that workfare was not an end in itself but just one among many ways of reaching the goal of lessening welfare dependency. This shift led the governor to embrace a program far more ambitious than he had originally contemplated; and Deukmejian in turn convinced conservative Republican legislators that support for child care was not itself an unprincipled giveaway but the necessary political price for building the principle of obligation into the welfare system.

California Democrats backed the bill for a variety of reasons, only some of which bore directly on the desirability of welfare reform. Assembly Speaker Willie Brown, perhaps the state's most powerful Democratic official, embraced the GAIN plan in order to neutralize the "soft on welfare" accusation that had made Democrats running in marginal districts politically vulnerable. Liberals saw the measure as a rare chance to generate additional public money for the poor. While welfare rights groups opposed the legislation as "slave fare," the force of this objection was blunted by the backing the bill received from black and Hispanic legislators. Those lawmakers, whose constituents would be most significantly affected

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by the new program, concluded that the right to a welfare check was thin gruel if it kept families on welfare for entire lifetimes—indeed, for generations. The Democratic leader of the Senate, David Roberti, was cool to the notion of workfare, and without his backing the measure would have died. But Roberti was finally won over by the promise of child care funding, the same component of the reform package that was so troubling to the governor. In the end, coalition-building isolated those Democrats, the only remaining "no" votes, who remained implacably opposed to workfare.

The political particulars underlying the GAIN program—the various agendas of the key actors and the nature of the deal-making—are unique to California, but the outline of a political consensus is more broadly detectable. Voters' perceptions are generally in line with the thrust of the reforms. Though welfare has never been a popular program, it is accepted as a necessity. Three Americans in four believe that those on welfare could not manage without it; a majority regards welfare as essential transitional support, not a trap that seduces people into permanent dependence. There is also strong support for coupling welfare training and workfare, using inducements to foster autonomy.

The states themselves have changed institutionally in recent decades. Legislatures are better staffed, and hence have the resources to temper passions with analytic insight. State bureaucracies, pressed into service in running the federally mandated programs that are the Great Society's legacy, have also grown more adept. And the politically shrewd now recognize that welfare reform can be a win-win game. In California, the governor could claim after GAIN was enacted that he had gotten his workfare program; poverty warriors could boast about state-of-the-art training programs; and child care advocates could describe these same reforms as a boon to working mothers and latchkey children.

The dramatic rise in the proportion of mothers who hold jobs outside the home also contributes to the consensus by making training and work requirements seem less onerous. With the majority of mothers of school-age children employed, work is no longer regarded as punishment—at least as long as adequate child care provision is made. While California exempts mothers of preschool youngsters, many states now require that they too participate in workfare. That makes sense, again assuming daycare is available, because these young mothers are most likely to succeed in the job market. Their periods on welfare are the shortest; and in Massachusetts, one-fifth of welfare mothers with young children have volunteered for training.

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Important also in shaping the new consensus is the fact that belligerent voices no longer dominate the debate. The last time welfare reform was on the national agenda, during the early 1970s when the family assistance plan was taken up, its chief advocate was Richard Nixon, whose embrace of any otherwise exemplary social innovation made liberals edgy and distrustful. Then, the chief antagonists were the well-organized welfare rights groups, which have more or less vanished. The shadow of the urban riots loomed over the debates, leaving those who relied on analysis—or bargaining—vulnerable to the accusation of racism.

Illustrations of the new public civility abound. Two decades ago, Daniel P. Moynihan was rebuked for focusing official attention on the unhappy situation of the black family, a central concern of welfare policy. When Moynihan reiterated essentially the same theme last year at Harvard—this time with data that, all too depressingly, confirmed the worst of his earlier predictions—he was voicing a wisdom so widely shared that black groups themselves were insisting upon it. The appearance of *Losing Ground* has evoked pointed and on the whole quite persuasive—but invariably mannerly—rejoinders. It beggars the imagination to comtemplate how Charles Murray's contention that welfare should be eliminated because it is debilitating to those whom it is meant to help would have been received in, say, 1970.

In the intervening years, the distance separating the partisans has narrowed considerably. From Democrats as well as Republicans, one is likely to hear demands for efficiently run social programs that use scarce federal dollars most productively; and concern for the moral dimensions of welfare, its potentially devastating impact on character, is no longer the exclusive province of one or another faction. A Democratic Congress and a Republican president were able in 1981 to agree that the states should have greater latitude in shaping welfare programs to fit their particular economic and social circumstances. With modest financial help from Washington, many states have since been conducting a great natural experiment.

GAINing ground?

It is much too soon to determine whether this latest round of welfare innovations will have an impact. What matters most—what will likely determine the fate of the experiment—are the terms in which that evaluation is cast.

There will, predictably, be political pressure to generate the kinds of numbers—dollars saved, recipients placed—that spell suc-

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cess, even if this means stretching the data. In San Diego, for example, local officials boast that almost half the participants in the workfare demonstration project found jobs. What goes unsaid is that nearly four-fifths as many recipients were able to locate work on their own. Fiscal savings, $2.50 for every dollar spent, are said to accompany the San Diego experiment; in truth, it is the recipients themselves, not the taxpayers, who are better off. Only by placing a fairly high value on the product of workfare, the better-swept streets and better-organized government files, can society be regarded as benefiting, on the basis of the evidence at hand.

Massachusetts officials have won national attention by reporting that their Employment and Training Program—called ET, after the Steven Spielberg movie—has returned 20,000 recipients to work in three years, saving the state an estimated $60 million. But Massachusetts is claiming credit for every job that welfare recipients locate, regardless of their participation in ET, and is calculating its savings on the assumption that no one who leaves welfare ever returns. Extrapolating from these figures leads to the unlikely prediction that welfare itself will have been eliminated in Massachusetts by 1990; reality will certainly be more modest.

This kind of puffery has its uses. It makes political reputations. It alters popular perceptions of the success of welfare reform—perceptions that may matter more, in terms of initial popular acceptance, than any set of numbers. It also generates interest in reform elsewhere, as governors demand to know from their welfare commissioners why they aren't producing successes on the magnitude of Massachusetts or San Diego. But puffery cannot be sustained indefinitely. When the calipers of cost and benefit are applied more rigorously—and the histories of such programs as CETA and the supported work experiment suggest that there will be demands for a rigorous accounting—the contrast between expectation and reality will lead some to label the venture a failure.

In a policy universe where the wish is often father to the thought, where short-run estimates of political advantage frequently dictate policy decisions—witness the Gramm-Rudman-Hollings budget-balancing bill—it is easy to oversell the new welfare reforms. If they are worth attempting, and they are, their true potential, measured in terms of number of jobs filled and dollars saved, is decidedly limited.

GAIN and its counterparts do not create new jobs but only offer training for what the market presumably demands. While job creation may not be much needed in a state such as Massachusetts,

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where unemployment rates are among the lowest in the country, things are likely to be different elsewhere. There is, after all, a limit to the number of individuals that an economy built on the idea of a permanent labor surplus can absorb. Pressed to explain where the retooled welfare recipients will find work, backers of California's GAIN plan contend that the labor force will contract over the next fifteen years. They also argue that the increased supply of skilled workers will create its own demand and—differently—that there already exists a sizeable number of jobs, uncounted by the employment census. About the nature and number of these jobs or the likelihood that ex-welfare recipients will fill them, the backers are vague.

Moreover, focusing on all welfare recipients as potentially employable, rather than on a subset of this population, may miss the mark. A recent University of Michigan study sheds new light on the dynamics of welfare. Between 1969 and 1978, half of those who needed any welfare support were on the rolls for two years or less. For such individuals, who usually enter the system after a family breakup or other personal crisis, expedients such as the job club may shorten these stays on welfare by a few months; that is certainly an idea worth testing. Some longer-term recipients, particularly those in their mid-to-late-twenties, have the best chance of finding work; they too are likely candidates for assistance. Those who are on the rolls for at least eight years in a given decade—only 17.5 percent of all welfare recipients over that entire period but half the welfare population at any one time—constitute at once the greatest opportunity and the most formidable challenge.

Some recipients will simply not be able to hold a job, no matter how much they are pushed to try. Were it otherwise, the niggardly welfare benefits provided by states such as Alabama and Texas would have far fewer takers. For these individuals, endless exhortations to work become harassments. More generally, except for efforts to help those whose tenure on welfare will likely be relatively brief in any event, the success of these ventures depends on the states' willingness to make substantial budgetary commitments. The WIN program sets a discouraging precedent, and there are countless illustrations of government at all levels turning successful pilot projects into failed operational programs by diluting the amount of support. States such as California and Massachusetts may be willing to invest heavily in career instruction and child care. (That willingness remains untested in California, where big budgetary commitments are a year off.) How likely is it, though, that Texas and Alabama will follow?

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If these work-welfare programs are underfunded, the fragile political consensus will break down, for liberal support depends on providing training and child care, and conservative enthusiasm depends on measurable success, both of which carry a price tag. And if the new program is administered too harshly—if substantial numbers of recipients are removed from the rolls; if the tactics to push people into jobs are perceived as coercive; if child care arrangements are inadequate; if recipients are forced out of part-time jobs and education programs onto workfare—it will quickly fall out of favor. The long history of work programs in this country and England speaks volumes to the politically tolerable limits of coercion. The Reagan administration's heavy-handed efforts to force disabled individuals back off the SSI program—the hardship stories and suicides that this brought about—produced the strongest congressional condemnation of any policy of this administration. A work-welfare plan that, upon inspection, appeared to be managed by Draco would evoke a comparably hostile reaction.

Even if these reforms are adequately funded and humanely managed, the welfare system may prove incapable of negotiating the training contracts and providing the services that are needed. No two welfare recipients are alike; their family circumstances, needs, abilities, and motivations vary enormously. At the individual case level, it will take professionals of considerable talent and tact to match opportunities to individuals, assuring that the contracts do not become mere exercises in standard form draftsmanship. While welfare bureaucrats know how to write checks and monitor cheating, they have not been asked to assume career counseling responsibilities for a very long time. It is no insult to wonder whether they are fit for this task.

At the aggregate level, the effort to coordinate state and county activities in order to assure a modicum of uniformity, and the very different effort to link training, education, and welfare—historically distinct bureaucratic turfs—promise to be a demanding management task. Until now, many welfare agencies have had a hard time counting their constituencies, let alone attending to their particularized needs. What is more, whether the job training programs and community colleges that have been conscripted into this welfare reform can successfully handle a clientele substantially different from what they are used to is far from certain. The success reported in Massachusetts may be due to the fact that its essentially voluntary program attracts the most motivated recipients. In mandatory programs such as California's, there are bound to be proportionately fewer successes.

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These potential pitfalls are the familiar stuff of failed social experiments, of great hopes dashed in implementation. Programs like GAIN and ET make extraordinary demands on both the bureaucracy and the recipients. Those demands may go unsatisfied; perhaps they cannot be satisfied.

Opportunity vs. punishment

If, despite these formidable odds, the new welfare ventures are eventually regarded as a success, the reason will have more to do with a transformation in social values than with program specifics. The idea underlying the old workfare programs is that working means paying off one's debt to government. The new idea is to regard government as a surrogate for society, which is conscripting those able to contribute to the common good.

One way to describe this shift is to borrow the juridical language of rights and obligations. "Programs should try to assure recipients the same balance of rights *and* obligations that non-dependent people face in their daily lives," writes Lawrence Mead. The aspiration is the reformation of the individual—to make "recipients accept some responsibility for their own situation."

That model is intended to restore what Mead (echoing a great many other conservative thinkers) describes as the "authority" of government. The California experiment has a subtly, but importantly, different aspiration: to make obligation itself less a punitive than a positive idea—an opportunity—as well as an aspect of the norm of reciprocity. The hierarchical model means to integrate the least well-off by the imposition of authority. The reciprocal approach, exemplified in the contractual bargaining that lies at the heart of the California plan, means to restore connections between the society and its most marginal members. It identifies the necessity of participation as an element of that minimum social connection, a way of fostering the most rudimentary understanding of the values of the American community. It speaks to the responsibilities of membership in the society, not just the obligations attendant to accepting society's largesse. In this respect, the new welfare models can claim Tocqueville, rather than Burke, as their intellectual godfather. They more closely resemble proposals for universal service than ditch-digging in Lyon; for everyone, after all, is a beneficiary of society's largesse.

It is easy enough to be cynical about all this. "First, you figure out what kind of behavior is in society's interest," writes sociologist Christopher Jencks. "Then you define such behavior as 'good.' Then you argue that good behavior, while perhaps disagreeable in the

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short run, is in the long-run interest of those who engage in it." Nor is it coincidental that welfare recipients and not eighteen-year-olds are the first "beneficiaries" of this rethinking. Nonetheless, the way this society defines its commitment to the least well-off describes a critical aspect of the moral polity. Punitive programs, like old-fashioned workfare, are intended to shape up deviants, whether they be delinquents or drug addicts or those on the dole. They are designed by "us" for "them" and evince a greater interest in controlling than in comprehending. Pure benefits plans, which envision those on welfare as distinctive in their helplessness, capable only of being sustained by infusions of cold cash that they cannot earn on their own, are more benevolently motivated. But the underlying assumption, that "we" are taking care of "them," is much the same. Charles Murray is right in his observation that, by focusing on cash transfers, "we—meaning the not poor and the un-disadvantaged—changed the rules of their world. Not our world, just theirs." By contrast, programs like GAIN presume that a sizeable number of adults on welfare need neither discipline nor handouts but tangible opportunities to develop their talent. We can readily enough see ourselves in that situation, particularly in the volatile economic circumstances of the present—even as it was easy enough fifty years ago for the architects of the WPA to imagine themselves out of work because of the Depression. The new work/welfare policy is aimed at individuals who, it is assumed, already share the basic values of the polity.

This approach to welfare reform will never remove all able-bodied recipients from the welfare rolls; indeed, it may ultimately reach only a minority of those who receive a welfare check. And because training programs are costly, society may not save a great deal of money. But in an important sense, this is beside the point. Even if many of those who participate in the GAINs and the ETs discover that education, training, and workfare do not always speedily result in paying jobs, at least they are engaged in the struggle for independence, for full membership in the society, though not necessarily winning it. And the very fact that they are out of their homes, learning some skill, and participating in the society, should help break the cycle of dependency and despondency characteristic of long-term welfare recipients. While that is hardly the attainment of Lyon's "vision of peace," it is surely a happier outcome than any of the familiar alternatives.

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Poverty down, inequality up?

MICHAEL NOVAK & GORDON GREEN

VIRTUALLY EVERYBODY has celebrated the decline of nearly a full point in the poverty figures for 1984 (from 15.2 to 14.4 percent)—so some critics have, as usual, changed the subject. Attention is now swinging, once again, to measures of income inequality.

Georgetown professor Peter B. Edelman writes in the *Washington Post*, "The 15.7 percent of the total national income that is received by the lowest 40 percent of families is the lowest percentage share for that group since the Census Bureau began keeping such records in 1947."

On the surface, the professor is correct. From 1980 to 1984, the share received by the lowest 40 percent of families (before taxes) did go down from 16.7 to 15.7 percent; the share received by the wealthiest 40 percent of families (before taxes) did go up from 65.9 percent to 67.3 percent. But between 1947 and 1984, the range of changes has been very narrow. In 1947, "equality" was about the same as in 1980: The lowest 40 percent of families received 16.9 percent, while the most wealthy 40 percent of families received 66.1 percent. Do such small changes really constitute a significant worsening of "equality"? The situation, alas, is much more complex.

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How is "inequality" measured?

Let us begin with some minor matters. Since the cited income figures count only pre-tax income, one cannot say simply (as many recently have) that changes in these figures have been caused by changes in tax law. The figures also omit noncash transfers. Finally, it would be wrong to suggest (as many have) that changes in income shares reflect the effects of government policy alone. To the contrary, the effects of demographic changes and changes in family structure swamp the effects of policy.

To clarify, it may be well to explain how income inequality is measured. Economists usually measure inequality with statistics that show how national aggregate income is divided among different subgroups of the population. The idea can be seen most clearly with a graph (See Figure I).

If families are ranked by level of income, the Lorenz curve, as it is called, traces out the share of aggregate family income held by each subgroup. As a limiting case, if the bottom 25 percent of families receive 25 percent of aggregate income, and if 50 percent receive 50 percent, and 75 percent receive 75 percent, and so forth, the Lorenz curve traces the diagonal line shown in the graph. At the opposite extreme, if one family received 100 percent of all income, and all other families received none, the Lorenz curve would be a right angle. It would follow the horizontal line at the bottom to 100 percent, and then shoot up vertically at the right. Every national income distribution must fall in the triangular field between these two limiting extremes. The income distribution is more equal as the Lorenz curve approaches the diagonal line and less equal as it approaches the right angle.

The Gini index, which is derived from the Lorenz curve, is a statistic that describes the degree of inequality in the income distribution. Suppose the actual distribution of income is depicted by the curved line between A and B shown in the graph. The Gini index (G) is defined as the area (A) between the diagonal and the Lorenz curve, divided by the entire area beneath the diagonal (A + B). As the Lorenz curve moves toward the diagonal, area (A) goes toward 0. So does the Gini index. As the Lorenz curve moves toward the right angle, area (A) approaches area (A + B) and the Gini index approaches the number 1.

The Gini index therefore is a measure that lies between 0 and 1. The closer to 0 it gets, the closer the distribution is to pure equality. Thus, for example, a Gini index of .500 would fall halfway between pure equality and pure inequality. The index of relative inequality

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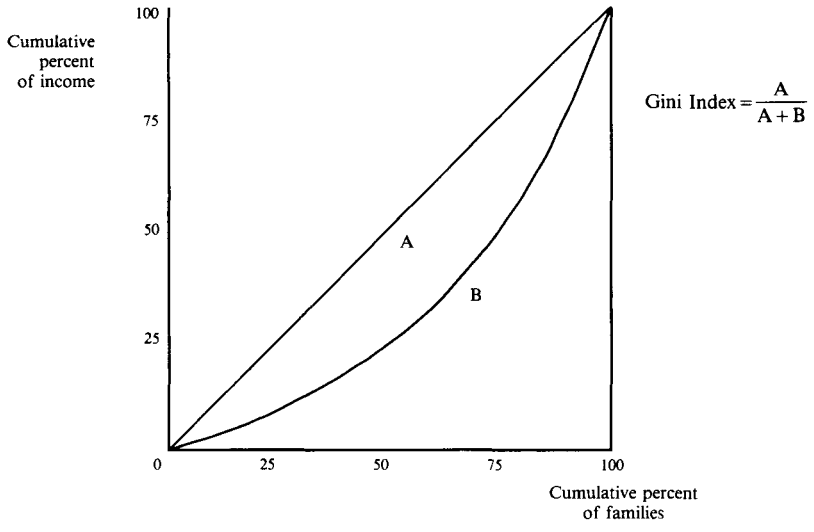
Figure I. Distribution of Income Across the Population—
The Lorenz Curve



in the United States, from the time it was first measured at .376 in 1947, has always fallen between .348 (briefly) in 1967 at its lowest point, and .383 in 1984 at its highest point. (For rough comparisons with other nations, see Table I.)

One reason why no society is ever described by a "perfect" (straight line) curve has to do with age distributions among heads of families. Typically, and understandably, income earners earn less when they are young than they do when they are older. The same individuals then move out farther on the curve as they grow in age, only to move backwards as their income drops after retirement. Even an annual snapshot of the national population will be seriously affected if the age distribution of the population as a whole is undergoing rapid change, which is precisely what has been happening in the United States.

The effects of the age factor have been brought to the fore by two recent trends. First, the "baby boom" of some 75 million youngsters born during the two decades following World War II has in recent years begun its long trek through its lifetime positions along the Lorenz curve. They entered the labor force in record numbers during the 1970s, starting out in relatively low-paying entry-level jobs. The most highly educated of any cohort in previous American history, these "baby boomers" have recently begun to enter the higher-paying decades of their lives. Second, medical advances have

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Table I. International Income Inequality (Post-tax, "Standardized" Household Size)[a]

Country	*Year*	*Gini Index*
The Netherlands	1967	.264
Sweden	1972	.271
Norway	1970	.301
United Kingdom	1973	.327
Japan	1969	.336
Canada	1972	.348
Australia	1966/67	.354
United States	1972	.369
Germany	1973	.386
Spain	1971	.397
France	1970	.417

[a] *Source:* Lars Osberg, *Economic Inequality in the United States* (Armonk, New York: M.E. Sharpe, 1984), p. 27. This is the table referred to by the U.S. Catholic Bishops in their pastoral letter on the U.S. economy (second draft, p. 294, no. 49). Rearranged in ascending order. Note that the three continental countries, for example, Canada, Australia, and the United States, show similar distributions. Note also that the figures used are 13-20 years old, and range across a seven-year period.

dramatically increased the proportions of the cohort of those over 65, now on the declining end of their lifetime (post-retirement) earnings curve.

Changes in family structure also have dramatic effects on Gini indices for family incomes. For example, divorce, separation, and abandonment typically strip affected families of a major portion of their earlier income, lowering their position on the curve. When a great many such families show up in the distribution, they significantly alter the shape of the curve. This, too, has been a steadily growing characteristic of American family life.

In 1959, only 10 percent of all families (14.2 million people) were headed by a female with no husband present. In 1984, this percentage had climbed to 16.2 (30.8 million people). Nearly 40 percent of those affected were below the poverty line, and many others were at a lower earnings level than they had been when a husband's earnings had also supported them.

During these same years there was a dramatic increase in the proportion of two-parent families with working wives. Entry into the work force has been most dramatic for married women with small children (under 6 years old). Less than 20 percent of such women were working in 1960, compared to 30 percent in 1970, 45 percent in 1980, and more than 50 percent today. Families with working women tend to have larger incomes, because there is a much greater likelihood that they will have multiple earners. For example, the average income of two-parent families with both par-

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ents working is almost one-third higher than the average for all families. The increase in working wives has further widened the income disparity between single-parent and two-parent families.

Three major demographic and family factors, therefore, have affected the incomes of American families during the past quarter century: the coming of age of the baby boom generation, the increased numbers of the cohort over 65, and a dramatic shift in family structure. Even without government policy, these three factors were bound to cause significant alterations in the Lorenz curve.

Keeping the Gini in the bottle

The Census Bureau has developed a statistical procedure to estimate the relationship between these demographic changes and income inequality. The method simply recalculates income levels for a recent year assuming that there were no changes in age levels and family composition since an earlier base period. Their most recent report covers the period from 1970 to 1980, a period in which the Gini index rose from .354 to .365.[1] The reestimated Gini index for 1980 is .356, which suggests that *almost all of the increase in income inequality during the last decade was associated with changes in age structure and family composition.* The Census Bureau is in the process of updating these estimates to the present.

Notwithstanding these changes, the most remarkable feature of the Gini index during the thirty years in which its numerical definition has been computed has been its fundamental steadiness (see Table II).

In all, "inequality" has fluctuated a mere .035 during the period 1947-84, a time of immense changes in demographic characteristics and family structures. What is amazing is not that there has been change, but that it has been kept within a relatively small range.

In addition, it is worth pointing out that the Gini index is far higher among blacks than it is among whites, and that the spread has been growing larger among blacks year by year. The incidence of change in family structure among blacks, as well as the younger black median age, would of course predict this. In 1975, the Gini index among blacks and other minorities was .392, in 1981, .418, and in 1983, .437.

Thus far, our analysis of income inequality has ignored one very important dimension: noncash benefits. Although such benefits were

[1] U.S. Bureau of the Census, Special Demographic Analyses, CDS-80-7. *Changing Family Composition and Income Differentials* (U.S. Government Printing Office, Washington, D.C., 1982).

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Table II. United States' Gini Index, 1947–84[a]

Year	*Gini Index*
1984	.383
1983	.381
1982	.381
1981	.370
1980	.365
1979	.365
1978	.364
1977	.364
1976	.359
1975	.358
. . .	. . .
1970	.354
1965	.356
1960	.364
1955	.363
1950	.379
1947	.376

[a] *Source:* U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 146. *Money Income of Households, Families, and Persons in the United States: 1983* (U.S. Government Printing Office, Washington, D.C., 1985).

small just a few decades ago, they have been growing in importance throughout the income distribution. Food, housing, and medical noncash assistance targeted to low-income persons totals more than $50 billion a year—almost twice the amount distributed as cash assistance. Medicare accounts for more than $60 billion a year. And it certainly does not stop there. Employer contributions for employee pension and health benefits amount to nearly $150 billion a year, and employers contributed another $70 billion to Old Age, Survivors, and Disability Insurance (OASDI). These and other noncash benefits are not counted in the U.S. Government's official income and poverty statistics, which are based solely on money income.

Why have noncash benefits been growing so rapidly in recent years? The answer seems clear. Legislators and their constituents think that they have more control over consumption patterns of the poor if benefits are distributed in kind rather than in cash. And employers and employees both know that there are tax advantages to benefits received in-kind, since an equal amount of cash income would be taxed. In addition, employers can generally purchase health insurance and pension coverage for a lower rate than employees would pay, because employers buy larger quantities.

Considering the importance of noncash benefits, why are they not counted in the Government's income and poverty statistics? They *have* been counted, at least experimentally, for persons at the

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lower end of the income distribution. The Census Bureau has developed technical reports showing the estimated number of persons in poverty when income is defined to include noncash benefits such as food stamps, school lunches, public housing, Medicaid, and Medicare. Accounting for these benefits at market value lowers estimated poverty rates by almost one-third. The Census Bureau is also doing experimental research on valuing selected employer-provided benefits, but this is a much more difficult task because private benefits are less uniform than Government benefits. When the Census Bureau succeeds in counting in-kind benefits all along the income distribution, analysts will have a much better understanding of how the tax-transfer mechanism works in this country. And, in turn, we will have a much better estimate of the actual degree of income inequality.

Choices and consequences

No one argues that "pure equality" would represent a just society. Even the most strict egalitarians admit that various factors should in justice be reflected in incomes: the difficulty of some jobs; long investments in training required for others; differences of talent, effort, and application; some incentive effects, and so forth. But what value short of 0 represents an achievable ideal in a continental, ethnically diverse country such as the United States—.200, .250, .333? Suppose we consider $100,000 a top allowable figure, and use the four-person family poverty line (1984) of $10,609 as an allowable minimum, which gives us nearly a 10-1 spread in income. If only a small proportion of families is allowed to have incomes of $50,000 or more, say 5 percent rather than the current 16 percent, then a Gini index of income inequality below .333 is perhaps within reach. But the coercions involved in such assumptions are fairly Draconian and their effects upon American morale would be severe. How much above .333 are strict egalitarians prepared to go, taking account of their interests in other aspects of justice beyond mere monetary income? Achieving greater equality is no simple task.

Leaving aside abstract idealism, however, we may observe that family structure is a critical variable in income distribution, and that family structure is in large measure a matter of personal choice. The choice of one family structure rather than another will have differential effects upon family income. For example, while two-parent black families receive 78 percent of average two-parent white families, and younger (age 25-34) black two-parent families do better (82 percent), only about half of all black families contain both husband and wife. Indeed, 56 percent of black children under

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eighteen live with only one parent. This dramatic split in black family structure seems to account for the severe inequality between affluent and poor blacks, and it is a major reason why the ratio of black-to-white income for *all* families is only .56:1.

Similarly, of all American two-parent families in 1984, only 6.9 percent were in poverty. Clearly, the maintenance of an intact two-parent family seems to have important effects upon family income. These effects may follow from the fact that both parents work, or from the fact that even the older children work (generating yet more income earners per household). But that commonsense observation may not extend as far as one might think. Even when the number of earners per household remains constant, two-parent families seem to do better than female-headed households. (Indeed, discretionary family income seems to be highest of all in two-parent households where only the husband works.) It cannot be ruled out then that there are factors of morale, motivation, organization, and discipline involved in the maintenance of two-parent families.

In conclusion, changes in the demography and composition of American families have had a significant effect on statistical measures of income inequality, effects more important than those due to policy actions. An important question is whether these demographic and composition changes are temporary or permanent. It takes an entire lifetime for changes in the basic age structure of the population to work their way out, while family composition can change in the very short run. A family maintained by a woman can go from a relatively low-income to a high-income family if she gets married, or remarries. This is very likely to occur if both spouses in the new family are working. It seems that a significant portion of our problems with poverty could be solved if families stayed together or, if dissolved, soon came back together in new form.

A more fundamental conclusion is apparent from the foregoing analysis. When looking at statistics on income inequality, it is risky, and often misleading, to base the analysis on aggregate-level statistics. One must disaggregate the statistics to understand what is really going on. As in the old adage, the "sum of the parts is not always equal to the whole."

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Is welfare really the problem?

DAVID T. ELLWOOD & LAWRENCE H. SUMMERS

THE POVERTY ISSUE is gridlocked. No one is satisfied with current policy, but no alternative can generate much support. The sources of dissatisfaction are well-illustrated in two recent tracts on the poverty problem: Charles Murray's *Losing Ground* and Michael Harrington's *The New American Poverty*. Murray notes that poverty has increased in the last fifteen years while federal social spending has ballooned. He argues for a poverty Laffer curve: Attempts to reduce poverty actually have made things worse. Harrington sees the problem of rising poverty as one caused by government inaction rather than action. He asserts that the War on Poverty was never really declared and argues that without a massive effort, there is no real chance of combatting poverty.

We have reviewed the existing policies and our national record in reducing poverty. Despite the haphazard evolution of these policies and their seeming lack of coherence, they function reasonably well. Our conclusion is that, given the resources devoted to fighting poverty, the policies have done as well as we could have hoped. There is logic to the broad outlines of the current "safety net." Categorical programs have provided financial support to the needy and

A version of this article will appear in Fighting Poverty: What Works and What Doesn't, *Sheldon Danziger and Daniel Weinberg, eds. (Cambridge: Harvard University Press, forthcoming).*

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probably have not caused an appreciable share of the current problems. It is true that current transfer policies do relatively little to help the poor achieve self-sufficiency or to ameliorate some of the serious social problems attending poverty, but a review of the record does not support the view they have caused them.

Measuring poverty

Any discussion of trends in poverty must rely on some measure of the incidence of poverty. And any single poverty measure is bound to be misleading. We concentrate here on trends in the officially defined poverty rate: that fraction of the population living in families with incomes below the poverty line. It is important to understand that the poverty line is a fixed level of real income (which varies by family size) thought to be sufficient to provide a minimally adequate standard of living. It is adjusted each year only for changes in the cost of living. Changes in the poverty rate thus provide an indicator of society's success in alleviating hardship among those with relatively low incomes, and do not necessarily indicate changes in income inequality, which is quite another issue. It is also important to recognize that only cash payments are treated as part of family income in the official poverty measure. In-kind benefits such as medical care, food stamps, or housing assistance are not counted at all.

Figure I depicts the trends since 1959 in the poverty rate, defined as the percentage of all persons living in families with cash income below the poverty line. We have broken down the figures for the elderly and nonelderly separately. For those over sixty-five, there was dramatic and relatively continual progress up to 1974, some modest progress through 1978, and a relatively flat poverty level since that time. For the nonelderly there was a dramatic decline in the poverty rate between 1959 and 1969. Then progress halted. The rate moved up and down throughout the 1970s, finally turning up rather sharply in the 1980s. It is the dramatic halt to progress in reducing the poverty rate for the nonelderly which seemed to coincide with the onset of the Great Society programs that has sparked the current dissatisfaction with our antipoverty efforts. Throughout this article we focus primarily on the nonelderly, since there appears to be less concern that our efforts at helping senior citizens were ineffectual or counterproductive.

Poverty and economic change

How much of the poverty rate can be explained by general economic developments? Figure II plots the nonelderly poverty rate

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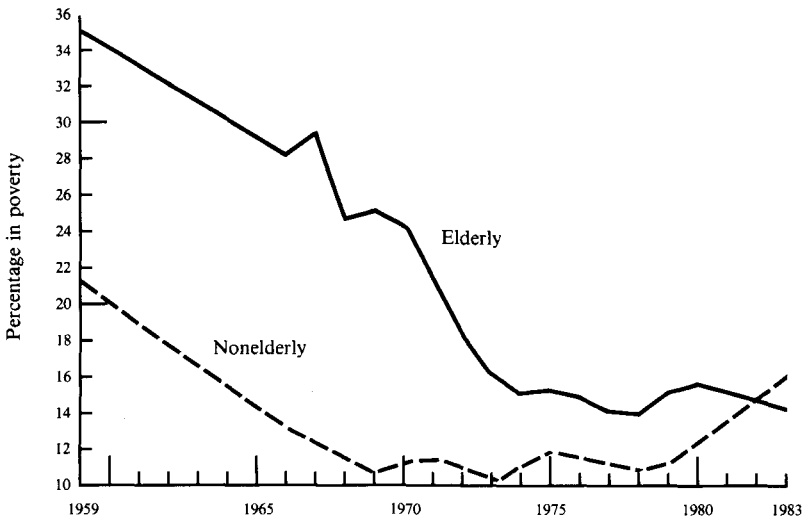
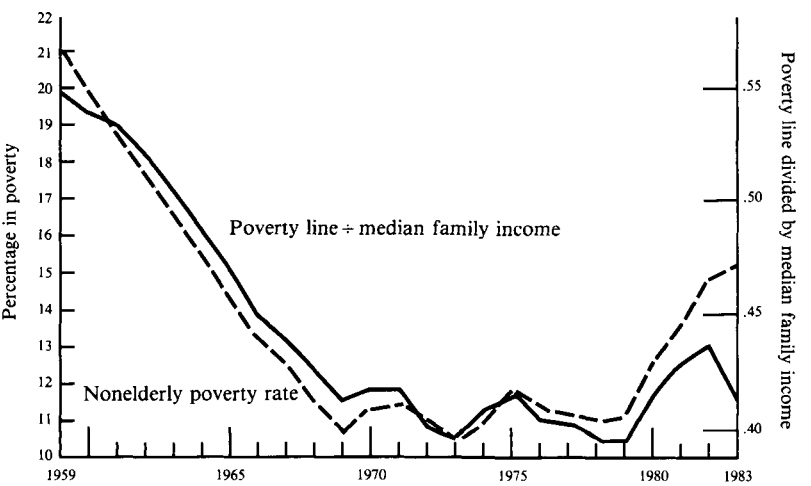
Figure I. Official Poverty Rates for the Elderly and Nonelderly[a]



[a] *Source:* Official poverty statistics published annually by the U.S. Bureau of the Census (Current Population Reports, ser. P-60).

Figure II. Relationship of Official Poverty Rate among Nonelderly Persons to Poverty Line as a Fraction of Median Family Income, 1959-1983[a]



[a] *Source:* Poverty rate data from U.S. Bureau of the Census (Current Population Reports, ser. P-60); median family income data from U.S. House of Representatives Subcommittee on Oversight and Subcommittee on Public Assistance and Unemployment Compensation, *Background material on poverty* (1983, p. 64).

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along with the poverty threshold expressed as a fraction of median income. It is apparent that the curves dovetail almost perfectly. *Almost all of the variation in the poverty rate is tracked by movements in median family income. The poverty rate, and the poverty line as a fraction of total family income, move almost completely together.*

One does see a slight divergence of the trends in the 1980s. But here, it should be noted, the poverty rate is basically tracking the performance of the economy. In real terms, median family income in 1980 was no higher than it was in 1969. In the recession of 1982, it actually fell 5 percent below the 1969 level. Average families today have no more real income than they did almost fifteen years ago. It should not come as a great surprise, then, that poor families were not much better off either. And it seems reasonable to blame the same factors for the stagnation in the fortunes of both the poor and the nonpoor.

The reasons for the lack of growth in median family income are not entirely clear. Real per capita disposable income did rise by 27.5 percent. Some of the explanations must therefore lie in demographic changes which were affecting both the poor and the nonpoor. There has been since the 1960s a large increase in the number of female-headed families, and average family size declined from 3.6 to 3.3. The share of income going to single individuals also increased substantially. But demographics alone cannot be the entire story. Median income of full-year, full-time male workers also declined between 1970 and 1980. Much of the blame must be placed on the productivity slowdown, which reduced the annual rate of growth of productivity to 0.8 percent in the 1970s after nearly two and a half decades of growth at almost 3 percent per year. Disposable income increased because more people were working, not because wages increased. Whatever the reasons for the decline, it would be absurd to blame changes in median family income on social welfare program mistakes. Making the poor better or worse off should not affect median income because the middle family in the income distribution would not be directly affected.

A brief consideration of the relevant magnitudes makes it clear why movements in average family incomes should be a dominant determinant of the fortunes of the poor. The bottom fifth of all families gets about 6 percent of total personal income. This figure has been remarkably stable for most of the past twenty years. At present, therefore, a 10 percent increase in disposable personal income would raise the amount of income flowing to the poor by $13 bil-

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lion. A 25 percent increase, such as that achieved between 1961 and 1966, would increase the income of the bottom fifth by more than the total cost of all means-tested cash assistance programs plus Food Stamps.

There is an alternative way of seeing that the performance of the economy will be a dominant determinant of the economic condition of the poor. A majority of the nonelderly poor are in male-headed families. For this group, at least 75 percent of income results from earnings. Even among poor, female-headed families with children, fully 40 percent of all income comes from working. The fraction is much greater for families near the poverty line—the ones who will be drawn into or out of poverty as the economy swings.

Still, it is troubling to find that poverty rates have tracked median family income so closely. Expenditures on social welfare programs increased many times during the late 1960s and early 1970s. Shouldn't we have expected some improvement in poverty, if for no other reason than that transfers from the government should have pushed more people across the poverty line? This lack of progress seems to have fueled the current perception that the antipoverty programs were a failure. Charles Murray even argues that the growth in government programs induced the poor to stop relying on private sources of income and start relying on public sources, reducing their hopes for self-sufficiency. Let us examine this argument.

It is customary to break social welfare expenditures into three categories: social insurance; cash assistance; and in-kind benefits. The social insurance system is clearly geared to the middle class, designed to protect those who retire or who suffer some calamity such as total disability, unemployment, or work injury and therefore are unable to earn money. Medicare, which covers much of the medical care needs of the aged and totally disabled who receive Social Security, is usually classified as a social insurance program even though it provides in-kind benefits. Most workers are covered by these programs so long as they have worked a reasonable period. Far from being income-tested, these programs tend to give higher benefits to those who had higher earnings before retirement, disability, or unemployment. Thus the programs do protect some families from poverty, but they really are designed to protect middle-class incomes.

Benefits for the poor

Cash assistance is offered to certain low-income groups. In most areas, only three groups really qualify for significant cash assis-

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tance: the aged; the totally disabled; and persons in single-parent families. Supplemental Security Income (SSI) covers the first two groups while Aid to Families with Dependent Children (AFDC) covers the third. There is some assistance available for others. Most states offer a very modest General Assistance (GA) program, often for people who are partially disabled. Some states also offer an AFDC-Unemployed Parent (AFDC-UP) program for two-parent families. In fact, there are stringent restrictions on eligibility for AFDC-UP, and the program is extremely small, less than 5 percent of the total AFDC program. The cash transfer programs are explicitly income-tested and benefits decline as income rises.

Finally, there are a variety of in-kind benefits available. Food Stamps provide modest benefits per person in the form of vouchers, but the benefits are available, on a scale which varies by income, to all poor persons (except students and strikers). Medicaid provides medical benefits to the poor, but only to those who are aged, permanently disabled, or are in single-parent families. There are housing assistance programs and a number of other modest in-kind benefits, like Low Income Home Energy Assistance.

Table I shows the magnitude and the growth of these various programs. Expenditures are divided by major beneficiary group: the elderly; the totally disabled; and all others. Certainly the most prominent fact on the table is that the bulk of all expenditures and the bulk of the dollar growth has been in programs for the elderly. We would certainly expect to see, as we have seen, a very dramatic reduction in poverty among this group even in the 1970s, when growth was rather flat.

By almost any standard, expenditures on cash assistance programs specifically targeted at the poor are small. Taken together, all the cash assistance programs for the nonelderly totalled less than $20 billion in 1982. That is a considerable increase over 1960, when benefits were under $5 billion (in 1980 dollars). But it still represents much less than 1 percent of GNP. Federal expenditures for these programs are less than 2 percent of the federal budget.

These expenditures are too small to have very much effect on measured poverty. Cash assistance pushes just 5 percent of poor persons out of poverty. Spreading the $20 billion spent on cash assistance across all the 30.6 million non-elderly poor yields an average cash benefit of slightly over $50 per person per month. Benefits are actually concentrated on those persons who are single parents or disabled. But for single parents, benefits average only $100 monthly per person; for the disabled, they average roughly $220. These

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Table I. Costs of Major Public Assistance and Social Insurance Programs for the Elderly, Totally Disabled, and All Others
(Billions of Constant 1980 Dollars)[a]

	1960	*1970*	*1980*
PROGRAMS FOR THE ELDERLY			
Social Insurance			
Social Security, Old Age, and Survivor's	$29.2	$60.7	$104.7
Public Employee and Railroad Retirement	9.7	21.9	44.3
Medicare[b]	0	16.8	29.1
Cash Assistance			
Supplemental Security Income (and Old Age Assistance)	4.5	4.0	2.7
In-Kind Benefits			
Medicaid[b]	0	4.1	8.7
Food Stamps	0	0.2	0.5
Housing[c]	0.1	0.5	2.5
PROGRAMS FOR THE TOTALLY DISABLED			
Social Insurance			
Social Security Disability[d]	1.6	6.5	15.4
Medicare[e]	0	0	4.5
Cash Assistance			
Supplemental Security Income (and Aid to the Disabled)	0.7	2.1	5.0
In-Kind Benefits			
Medicaid[b]	0	2.2	7.0
PROGRAMS FOR OTHERS			
Social Insurance			
Unemployment Insurance	8.4	9.3	18.9
Workers' Compensation	3.6	6.5	13.6
Cash Assistance			
Aid to Families With Dependent Children (AFDC)	2.8	10.3	12.5
General Assistance (GA)	0.9	1.3	1.4
In-Kind Benefits			
Medicaid[b]	0	3.7	7.5
Food Stamps	0	1.1	8.6
Housing[c]	0.4	1.0	4.7

[a] *Sources: Social Security Bulletin, Annual Statistical Supplement 1982* (Washington: U.S. Government Printing Office), Tables 2, 18, 19, 154, 155, 160, 172, 192, 200. Also *Statistical Abstract 1984*, Tables 640, 643; and *Statistical Abstract 1978*, Table 549.
[b] Medicare and Medicaid began in 1966.
[c] Estimate based on fraction of persons receiving housing assistance who are elderly. (See Bureau of the Census, 1982.)
[d] Social Security Disability Insurance program began in 1956.
[e] Medicare was extended to the disabled in 1974.

amounts just are not sufficient to push very many persons out of poverty.

Perhaps even more important, over the period when poverty rates were stable, there were only modest changes in expenditures for

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these programs. Between 1970 and 1980, cash assistance expenditures rose from $13.7 billion to $18.9 billion. Yet over the entire decade, *annual* expenditures per nonelderly poor person rose just $93! Such an increase would hardly be noticed in the poverty statistics. And even that figure overstates the significance of the increase. Nearly all of the growth in these programs came in the disability program, which reaches only two million persons.

Programs which provide in-kind benefits, such as Food Stamps, housing assistance, or medical care, did grow considerably over the 1970s. But none of these gets counted as income for purposes of defining poverty, though they clearly reduce hardship.

The Food Stamp program comes closest to offering cash assistance, and benefits from the program should surely be counted as income in calculating poverty. Unlike almost every other major social program, Food Stamps are available to all poor families regardless of their characteristics. But average benefits are relatively low —less than $40 per month per person. Thus the program would not push very many people out of poverty even if its benefits were included as measured income. If Food Stamps were treated as income in 1982, the number of nonelderly poor would have fallen from 30.6 million to 29.1 million. Housing assistance is also available—in 1980, $4 billion was spent on the nonelderly. There are also a variety of child welfare, child nutrition, social services, and other programs. We do not have an exact total for these for the nonelderly, but it is probably between $5 and $10 billion.

Medical care falls into a special category. Persons who are in single-parent families or who are totally disabled and a few others can qualify for Medicaid. In 1980 the cost for single parents was $7.5 billion; for the disabled, $7 billion. It is less appropriate to think of medical care in the same way that cash assistance or food stamps are viewed. The poor never bought much health insurance prior to the start of the program in 1967 so provision for medical care was not really counted in determining the poverty level. Care was provided on a charity basis, in government-financed county hospitals, or it was simply not provided.

Because none of these in-kind benefits is counted in income, they cannot reduce statistically measured poverty. But there are indications that these programs have been at least partially successful in achieving their specific goals. Life expectancy in the U.S. rose more during the 1970s than during either the 1950s or 1960s. Perhaps more significantly, life expectancy rose more for nonwhites than whites: 4.2 years versus 2.7 years. Similarly, the nonwhite infant mortality rate declined almost twice as much in absolute terms as the white

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rate. And both caloric intake and protein consumption of the poor increased relative to the middle class. "Nutritional inequality" declined noticeably.

Benefits for the middle class

The really large growth in social benefits for the nonelderly came in the social insurance programs—the programs for the middle class. Unemployment Insurance (UI), Workers' Compensation (WC), Social Security Disability (DI), and Medicare for the disabled together cost $52 billion in 1980, up from $22 billion just a decade before.

These programs are not generally perceived by the public as being antipoverty programs, and rightly so. Their benefits go largely to the middle class. Only one-quarter of UI and WC funds go to persons who would otherwise be poor. Nonetheless, their significance in aiding the poor should not be understated. For those formerly poor persons lucky enough to receive UI or WC benefits, three-quarters are pushed out of poverty by them. Indeed, in some respects these programs probably do more to reduce poverty among the nonelderly than the cash assistance programs do. If UI and WC did not exist, at least 3 million more nonelderly people would be poor. (We have no comparable figures for the DI program.)

So it is not really surprising that measured poverty hardly improved during the 1970s. The single most important correlate with poverty—median family income—did not change. On government's side of the ledger, expenditures for cash assistance directed to the poor started small and did not increase very much. In-kind benefits increased dramatically, but they are not counted in income, so they could not improve measured poverty.

But whether or not government transfers were large enough to have a significant effect on poverty, concerns remain that government may actually be contributing to the poverty problem by discouraging work and encouraging single-parent family formation. We looked at three groups that figure prominently in any discussion of the disadvantaged in America. The first two are afforded the bulk of cash assistance—the disabled and those in single-parent families. For both of these groups, existing policies have been indicted as having important counterproductive influences. The third group, black youth, has at times been cited as an associated victim of the current welfare system. In all three cases, we considered whether or not transfer policies must bear significant responsibility for the problems faced by the groups.

The disability insurance (DI) portion of Social Security and Sup-

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plemental Security Income, which provides for those who are disabled and poor, grew enormously during the 1970s—both more than doubled during the decade. The combined cost of social insurance and cash assistance and in-kind benefits for the disabled was nearly $33 billion in 1980. Recently it has been charged that the program has reduced labor force participation of middle-aged men. The charge is serious, since the program is intended solely for those who cannot work.

The program's growth has indeed coincided with a significant decrease in labor force participation among men. In 1960, only about 4 percent of men aged forty-five to fifty-four were out of the labor force. By 1980, the figure had reached almost 9 percent. For black men the increases were even more dramatic: from 7 percent up to 16 percent. Motivated by these statistics, a need to cut budgets, and a host of anecdotes, the Reagan administration undertook a major tightening of eligibility rules under DI in the early 1980s, cutting several hundred thousand people and making eligibility more difficult to obtain. These policy developments coincided with increasing criticism within some academic circles of this antipoverty program for contributing to declining male labor force participation. The argument was that men who could work have been shifting to Disability Insurance. Thus Donald Parsons concluded in 1980 that the recent increase in nonparticipation in the labor force of prime-aged men can be largely explained by the increased generosity of social welfare transfers (though these findings have been disputed by other economists).

One approach to exploring the employability of those who received disability insurance is to look at the earnings patterns of those who applied but were denied. Certainly those who were denied assistance are on average considerably more employable than those granted benefits. Unfortunately, there are few data from recent years on the subsequent earnings of those denied disability benefits. However, the Social Security Administration (SSA) has examined the subsequent earnings experience of those denied benefits in 1967 and 1970. In assessing this evidence, it is important to recall that the fraction of disability applicants denied eligibility has risen steadily through time, from 49 percent in 1965 to 52 percent in 1975 to 66 percent in 1980. Thus rejections are even more common now than during that study period.

Yet in the late 1960s, virtually all of those who were rejected by the Disability Insurance program did little work in subsequent years. A SSA staff paper summarized the 1967 survey results by noting: "A

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large proportion of the denied applicants never returned to competitive employment despite many years of work prior to their disability and an administrative decision in 1967 that they were still able to do so." Further, "Four-fifths of these claimants who were initially denied in 1967 did not return to sustained competitive employment in the following five years."[1] Similar results were obtained in the 1970 survey.

Preliminary work by John Bound suggests that these basic conclusions hold in recent years even if one looks across the entire age distribution of persons under sixty applying for disability benefits. More than half do not return to sustained work. And those who do return to work suffer earnings losses of nearly 50 percent.

Since 1970 the DI program has doubled in size. Some of the increase is undoubtedly due to increased knowledge of the program and some may be due to increased benefit levels and some relaxation in standards. But even if the program now were taking people equivalent to the least-employable *four-fifths* of those rejected in 1970, it would still be taking a group which would have done no sustained work whether or not they had been accepted. And recall that in 1980, prior to the recently increased restrictions, 66 percent of applicants were denied entry to a program that is designed for the totally disabled. Those who apply are unlikely to be very healthy.

Disability programs appear to be one example where a carefully targeted program can give generous benefits without generating large adverse incentive effects. But the program succeeds largely because benefits are based on a relatively objective and difficult-to-alter set of physical conditions.

AFDC and single-parent families

The mounting number of children being raised in single-parent households is commanding increased national attention. The apparent "crisis of the family" is noted most acutely with respect to black households, but the trends seem to extend to all racial and economic groups. The numbers are stark. By the time today's children turn eighteen, some 45 percent of whites and 85 percent of blacks are expected to have lived for some part of their life in a single-parent household. At a minimum those who live in single-parent households face financial hardship; there may be other adverse consequences as well.

[1] Ralph Tretel, "Appeal By Denied Disability Claimants," Social Security Administration staff paper No. 23 (Washington: U.S. Government Printing Office, 1976), pp. 22, 25.

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Certainly the most troubling and potentially the most damning accusation leveled against the current welfare system is the charge that it encourages the formation and perpetuation of single-parent families. The specifics of the charges have changed over time, but not the basic message. Originally, it was suggested that we had developed a welfare system that rewarded single-parent families by denying benefits to families with two parents. More recently, in the wake of the negative income tax experiments, it is alleged that by relieving a family of the necessity of relying on two parents for income, welfare facilitates marital disruption.

Figure III plots the fraction of all children living in a female-headed household and the fraction of all children who have received AFDC since 1960. The fraction of all children living in a female-headed household started rising much faster in the late 1960s, at precisely the time when the number of children on AFDC rose sharply. But then the trends diverged—dramatically so.

Since 1972, the fraction of all children who live in a female-headed household has jumped quite dramatically, from 14 percent to almost 20 percent. During that same period, the fraction of all children who were in homes collecting AFDC held almost constant, at 12 percent. The figures are even more dramatic for blacks. Between 1972 and 1980 the number of black children in female-headed families rose nearly 20 percent. The number of black children on AFDC actually *fell* by 5 percent.

If AFDC were pulling families apart and encouraging the formation of single-parent families, it is very hard to understand why the number of children on the program would remain constant throughout the period in our history when family structures changed the most.

These figures are easy to understand in light of the fact that real AFDC levels fell by almost 30 percent between 1970 and 1980 in the median state. Even in some comparatively liberal states, benefits plummeted. In New York City, benefits dropped 33 percent in real terms over this period. Food Stamps mitigated the declines somewhat. But between 1971 and 1983, combined Food Stamps and AFDC benefits fell by 22 percent in real terms in the median state. A smaller and smaller fraction of children in single-parent families were receiving AFDC for a very simple reason—benefit levels, and therefore eligibility, were being sharply cut back.

Perhaps the impact of AFDC benefits was delayed, or perhaps once a threshold is reached, people do not react to changes in benefit levels. These explanations could explain why family structures

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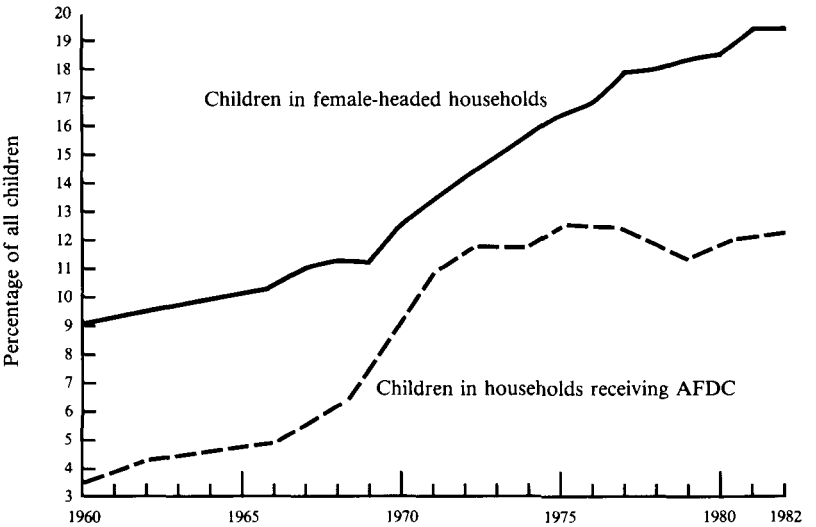
Figure III. Comparative Percentages of Children in Female-Headed and AFDC Households, 1960-1982[a]



[a] *Source:* U.S. Bureau of the Census (Current Population Reports, ser. P-20), *Household and Family Characteristics*, various years; *Social Security Bulletin, Annual Statistical Supplement*, various years.

continued to change even as benefits fell. But we can think of no story crediting AFDC with a very large part in inducing changed family structures which is consistent with a falling absolute number of children on the program.

And what about the sharp rise in the fraction of all births to unmarried black mothers? The birth rate to unmarried black women fell 13 percent between 1970 and 1980. But the birth rate among all married black women fell even more—by 38 percent—so the fraction of births to unmarried women rose. During the same period, the unmarried birth rate to whites rose by 27 percent. It seems difficult to argue that AFDC was a major influence in unmarried births when there was simultaneously a rise in the birth rate to unmarried whites and a fall in the rate for unmarried blacks.[2]

Probably the most important lesson of the time-series analysis is that family structure changes just do not seem to mirror benefit level changes. We have already made rather Draconian cuts in benefit levels and family structure changes have not slowed appreciably. It

[2] See, for example, Mary Jo Bane and David T. Ellwood, "The Impact of AFDC on Family Structure and Living Arrangements," *Journal of Labor Research* (forthcoming, 1986).

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seems hard to believe that further cuts would do much to hold families together.

A second approach also fails to find a strong connection between AFDC and family structure. Benefit levels vary widely from state to state. In Mississippi in 1980, a single-parent family of four could get a maximum of $120 per month in AFDC benefits, and that amount had been raised from $60 per month only a few years earlier. In California or New York, the same family could get $563 in benefits.

The gaps between states are not quite as large as they might seem, because the Food Stamps program is a federal one with uniform benefit levels nationally. As such it narrows the gaps in benefits between states. But even including Food Stamps, benefits vary by a factor of two to three. Food Stamps are available whether or not one is in a single-parent family, so their impact on family formation choices is unclear.

The obvious test is to compare the percentage of children living in female-headed households, or the divorce rate or the birth rate to unmarried women, with benefit levels across the states. Figure IV provides such a comparison for 1980. There is no obvious relationship between the percentage of children not living in two-parent families and AFDC benefit levels across states. The same holds for almost every other measure of family structure as well, including divorce rates and out-of-wedlock birth rates. More sophisticated regression techniques which control for differing socioeconomic characteristics across states typically also show little or no relationship.

Our conclusion is that AFDC has far less to do with changes in family structures than has been alleged. We suspect that the changes are probably better traced to changing attitudes toward welfare and heightened independence brought about by a host of forces that seemed to have come to a crescendo in the late 1960s. In the black community, family structure changes may have had more to do with the changing fortunes of black men than the availability of AFDC.

AFDC and single mothers

Unlike the disability program, there are undoubtedly some reductions in labor supply by female family heads induced by the current program. However, studies suggest that AFDC has had a modest effect in reducing work. Welfare mothers do not seem to be very sensitive to work incentives. Most recently, changes have been made in the AFDC program which essentially eliminate all work

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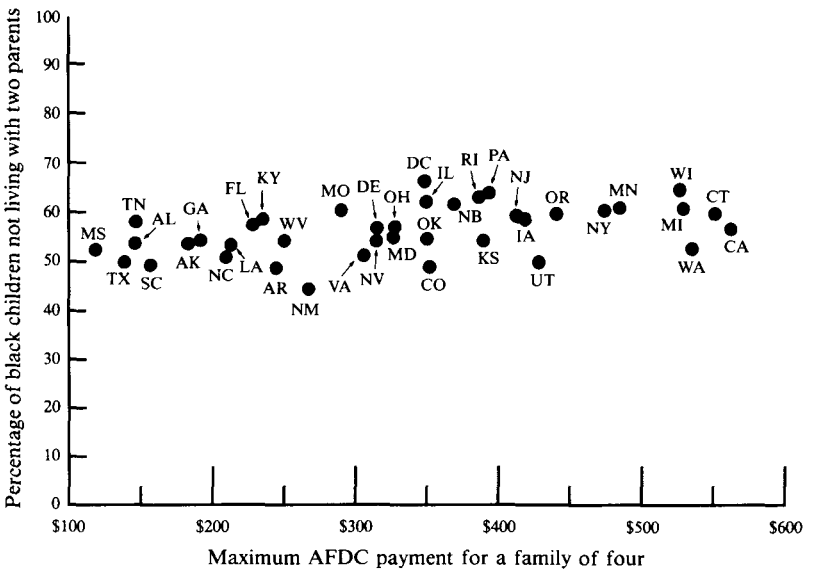
Figure IV. Relation of State AFDC Benefit Levels to Proportion of Black Children in Single-Parent Households, 1980[a]



[a] *Source:* State volumes of the 1980 census; AFDC benefit amounts from U.S. House of Representatives Subcommittee on Oversight and Subcommittee on Public Assistance and Unemployment Compensation, *Background material on poverty* (1983, p. 83).

incentives. After four months, benefits are reduced at least $1 for each dollar the woman earns over $30. Yet available evidence indicates that there has been little change in the work of single mothers.

Concerns about AFDC run deeper than just a fear that short-term work incentives are distorted. There is a sense that long-term dependency has developed, that people have come to rely on welfare to meet needs that they could and would meet on their own if they had no alternative. Except for the case studies of sociologists, we know of no definitive work on the extent to which pathological dependency exists, or on the role that AFDC has had in creating such dependency.

But there is information on the duration of AFDC receipt which does shed some light on this issue. The evidence, as analyzed by Mary Jo Bane and David Ellwood for example, suggests two subgroups within the AFDC population. Most people who use AFDC stay on the program a relatively short time. At least 50 percent leave within two years, 85 percent leave within eight. Most women who ever use AFDC do not seem to get trapped by it. At the same time, the minority which does stay on a long time accumulates and thus

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ultimately receives most of the benefits that are paid out. That minority also accounts for a large fraction of people who are on the program at any one point in time. The 15 percent of new recipients who stay eight years or more on the program collect more than 50 percent of the benefits paid out. Further, certain women are at particular risk of long-term dependency. Unmarried mothers, high school dropouts, and nonwhites all tend to have much longer stays than others.

Thus the program does provide short-term relief to the majority of the people it touches, but the bulk of its expenditures goes to a group that is in fact dependent on welfare for an extended period. This dependent group is a legitimate source of concern. There is not any good evidence that they are trapped by welfare *per se*; we only know that they rely on it for at least part of their support. Such dependence is easily explained. Few single mothers get much child support from absent fathers, so there are just two routes to self-sufficiency—work and marriage. And both of these can be hampered by the presence of young children. Still, the fact that many are found in this state of dependence seems undesirable.

Knowingly or unknowingly we have been engaged in an experiment over the past ten years. This experiment has been carried out at the expense of single mothers and its results can be judged a failure. We have cut back AFDC benefits considerably, but there has been no noticeable effect on family structure or work. We can be sure the impact on the well-being of single mothers was noticed by the families. We have also conducted an experiment in allowing benefits to vary across states for years. Here, too, there is little evidence that these differences have had any noticeable effect on work or family structure.

Yet there are sources of concern. There is little evidence that the current system causes large changes in family structure. But there is reason to worry that massive widening of welfare benefits to other groups could have more serious disruptive effects. The negative income tax experiments suggested that a system which allowed a husband and wife to split up and each collect benefits independently increased marital splits among low-income familes by as much as 40 percent more than was true under the existing system. These results, while not definitive (splits did not increase in one site, racial patterns differed across sites), do serve as a warning that major changes in incentives could have important consequences, at least for marital stability.

And dependency *is* a problem for some AFDC recipients, at least if dependency is defined as long-term welfare receipt. Such depen-

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dency is troubling, particularly since it seems to be greatest among groups that have considerable disadvantages to begin with. Our current welfare policies may have some influence on this dependence. There is a widespread hope that government could do something to help these women become self-sufficient.

Yet government has not shown much capacity to improve the situation very much. We know of no serious policy that encourages family formation. We have tried various programs that have had some success (particularly Supported Work) in helping long-term recipients and poor women generally, but gains have been quite modest. While the desire to pursue ways to improve the ability of single women to support themselves is widespread, few who have designed these programs have very optimistic expectations.

The peculiar nature of the welfare problem for single mothers is the fact that society generally recognizes and encourages mothers who stay home and care for children, but it also sees self-sufficiency as a virtue and it is increasingly unwilling to accept welfare dependence among single mothers in the way it accepts it among the disabled. Thus one cannot have a program of high benefits and no work incentives, as is offered the disabled. More complex regulations about work and child care are inevitable given social preferences. Diverse services must be offered.

Black youth and the "job gap"

By every conceivable measure the labor market situation for young blacks is bad and getting worse. Figure V shows the unemployment rate among black and white youth aged sixteen to nineteen from 1955 to 1980. While the rate for white youth has been relatively steady throughout the period, the rate for blacks has risen almost continually, though it was during the 1970s that the gap really widened. If we look at the sexes separately, we see similar patterns for young men and women. Things get somewhat better as the youth age, but the gap between the races has been widening for those aged twenty to twenty-four as well. The magnitude of the problem cannot be overstated. In 1980, before the recession really hit, only one in three black teenagers out of school had any job.

What is all the more perplexing about this widening gap is the fact that the changes have come at a time when developments are occurring that might have been expected to narrow the racial gap. Civil rights legislation was passed in the 1960s which reduced overt discrimination in the workplace. The educational patterns of the races have been converging: Similar proportions of blacks and whites now complete high school. College is almost as common for non-

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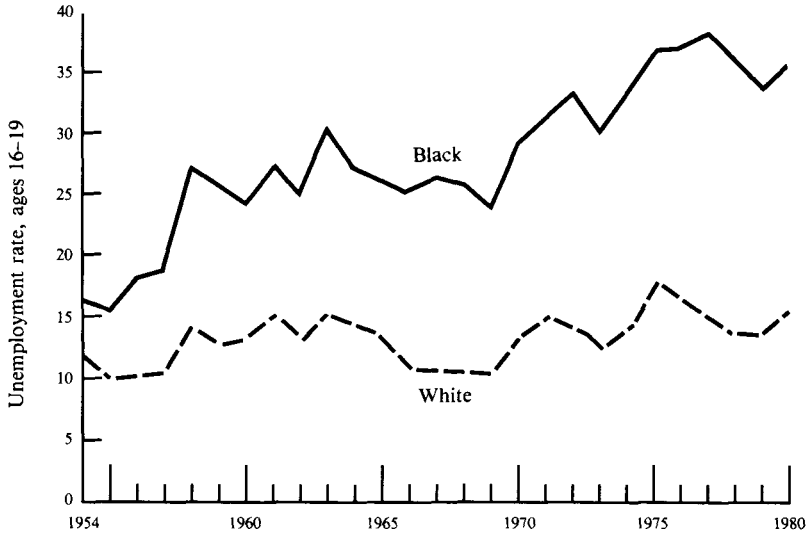
Figure V. Unemployment among Teenaged Black and White Youth, 1954-1980[a]



[a] *Source:* U.S. Bureau of Labor Statistics, *Handbook of Labor Statistics* (1984).

whites as whites. Blacks are also narrowing the racial gap in the more highly paid professions.

The fear of many conservatives is that the very social forces which predominated in the late 1960s, particularly the push for social welfare programs, lead to a destruction of traditional values and expectations that hard work pays off in the long run. We are not competent to judge the entire sociological impact of public policy generally or to evaluate changing values in America's ghettos. But we can explore the logic of an assertion that the expansion of social welfare programs played a major role in the decline of work among black youth.

We will concentrate on employment of black male youth to avoid problems associated with childbearing among young women. Is it plausible that social welfare policies have caused a severe decline in the work ethic among young black men?

Certainly such policies have not removed incentives to work. Single men are eligible for very little in the way of federally sponsored welfare benefits. A youth living alone is eligible only for Food Stamps. In 1982, his benefits would have been $70 per month, hardly enough to live on. For the first $85 the youth earns, benefits are not reduced at all, then for every dollar he earned these benefits

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would be reduced by only 25 cents. If he found a full-time minimum-wage job he would earn $560 per month in gross earnings and at least $450 after taxes and expenses. It certainly seems hard to believe that the Food Stamp program would reduce the financial rewards to work much.

If the youth lives at home (as most do), the picture hardly changes. If he lives in a poor two-parent household, his family is likely to be collecting Food Stamps. His presence in the home increases the monthly stamp allotment by roughly $60 per month. This allotment is diminished by the same formula as above if he works. Contrary to popular belief, a child eighteen-years-old or over who is not in school cannot now and never could be counted as a part of an AFDC unit. That means that a family's AFDC benefits do not depend on whether the youth lives with the family or not, and benefits will not be reduced if he earns more.

Thus it is extremely unlikely that welfare programs have robbed young black men of an incentive to work with their direct effects. But there is a broader concern. Perhaps the whole structure of welfare has created a culture of nonwork and dependence. Such a possibility is very hard to test, but there are several facts which are hard to explain in light of such a hypothesis: Employment rates for young men living in two-parent families are not very different from those of youngsters living with one parent. In 1975, some 23 percent of young black men living with two parents and 21 percent of those living with one parent had jobs. For whites, the figures are closer to 50 percent for both family types. One would generally expect to find a difference by family type simply because youth jobs are typically found through informal networks and one would anticipate that those in fatherless homes would have less access to such networks. Moreover, though unemployment does fall among blacks as family income rises, the differential between whites and blacks is largely unchanged.

Black youth living in central cities do not seem to fare much worse than those living outside the ghettos. According to the 1980 Census, 32 percent of out-of-school black youth in central cities had jobs whereas 38 percent of those living in the suburbs were employed. Similarly only 35 percent of out-of-school nonwhites living in nonfarm rural areas were working. While the figures above differ slightly, they are all vastly lower than the 62 percent figure for whites. If black youth unemployment were concentrated in the ghettos, it would be easier to point to the culture of poverty hypothesis.

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The fact that black/white youth unemployment differentials seem to persist for all geographic locations, for all family types, and for all income groups clearly suggests something more fundamental is to blame than the growth of welfare programs, which amount to less than 1 percent of GNP.

Among researchers who have looked at the problem, there is no consensus about what is happening. Most of the simple theories have been tried and they do not account for all of the widening differential between blacks and whites. There is considerable evidence of a job shortage for black youth. Kim B. Clark and Lawrence H. Summers have documented that black youth unemployment responds very strongly to aggregate demand,[3] but such an explanation can be only part of the story. Macroeconomic conditions did worsen over the 1970s, but not enough to explain the widening differential. And the racial gap widened somewhat even during the extraordinarily strong economy of the late 1960s. There are fewer jobs in the ghettos, but Ellwood has shown that nonghetto youth seem to fare just as badly as ghetto youth.[4] Nearly all researchers agree that the minimum wage lowers black youth employment, but the differential has continued to widen even during periods when the minimum wage did not change. Women entered the labor force in large numbers in the 1970s, but their entrance did not seem to hurt white youth. Taken together, the various explanations might explain half or more of the widening differential, but one gets the sense that something more fundamental has changed. Moreover, even if one places all the blame on job shortages, the explanation begs the question of why jobs are not being offered to young blacks when they are being offered to young whites.

And just as black youth joblessness defies easy explanation, it defies easy solution. Most careful experiments have shown disappointing long-term results. Public service employment increases youth employment, but when the public jobs end, employment rates seem to fall back to their previous levels. There just are not any good answers at the current time.

This is not the appropriate place to discuss what might be done to help such youth. But one thing is very clear: To expand welfare benefits to this group would have large adverse incentive effects. The negative income tax experiments showed that when income was

[3] Kim B. Clark and Lawrence H. Summers, "The dynamics of youth unemployment," in *The Youth Labor Market Problem: Its Nature, Courses, and Consequences*, Richard B. Freeman, David A. Wise, eds. (Chicago: University of Chicago Press, 1982).

[4] David T. Ellwood, "The Spatial Mismatch Hypothesis: Are There Teenage Jobs Missing in the Ghetto?" in *The Black Youth Employment Problem*, Richard B. Freeman, Kasey Ichniowsky, eds. (Chicago: University of Chicago Press, forthcoming).

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afforded to youth aged sixteen to twenty-one, work fell by almost 50 percent below its already low rate. It is hard to imagine a policy with more deleterious effects on the long-run well-being of black youth.

The employment problems of black youth then cannot be blamed on current welfare policies. In large part, that is because we have avoided offering welfare to young people. While there is surely some financial suffering as a result, the fact that extending benefits to these persons would so dramatically reduce work is an overriding consideration.

Reaffirming the "categorical" welfare system

The analysis in this paper demonstrates that government policies cannot be blamed for a great deal of the problems of the disadvantaged. This reflects the design of current policy. Much aid is the in-kind form and programs are offered on a categorical basis.

The fact that the problems of the three groups we considered are so different and that the consequences of aid varied so greatly argues for a continued reliance on a categorical approach to offering aid to the disadvantaged. For the disabled, there is little concern with dependence or work incentives. This allows for liberal benefits and forces no compromises on work incentive. For single mothers, the need is quite real, and while there is little evidence that we have been overly generous in our benefits, there is evidence for some long-term dependency. Trying to balance the needs of children, the rights of mothers to care for their children, and the desire of society (and presumably the mothers themselves) to be self-sufficient suggests the need for a complex policy aimed at that group. For youth, the reduced work that would apparently accompany an extension of benefits is a crucial factor mitigating against an expansion of welfare in that direction.

More fundamentally, general economic principles suggest the desirability of a complex welfare system with different rules for different groups and partial reliance on in-kind benefits. The patchwork character of current policies *is* consistent with the goal of economic efficiency. The basic problem of welfare policy is to transfer income to those truly in need without sizeable adverse incentive effects and without diverting significant resources to those who are not truly in need. Seen in this light, prominent features of our current welfare system seem easily explainable. Efficiency in redistribution can be increased if payments are based on available indicators of true earning power.

Particularly desirable are indicators which are not easily altered,

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such as disability, and perhaps family status. Moreover, the use of any type of assistance which will help the truly poor, but be relatively unattractive to the nonpoor, will raise the amount that can be redistributed with a minimum of distortion. This may justify substantial reliance on some types of in-kind programs. People not in need are less likely to try to look poor in order to qualify for public housing than they are to qualify for cash assistance. Some administrative burdens on welfare recipients might also be defended as facilitating redistribution by increasing the government's ability to separate those in serious need.

Current policy may also be defended on philosophical grounds. It expresses the value society places on self-reliance. We expect those who can to help themselves. Benefits are provided only to those able to provide some evidence of their inability to support themselves. Most Americans regard the reasons for indigency as sharply influencing their willingness to offer aid. The disabled, single parents, and those injured or laid off from work can offer some evidence that their financial straits are not caused by an unwillingness to work.

While we see reasons for concern about the effects of reducing eligibility restrictions, we see little cause for concern about the effects of raising benefit levels under current programs. Restoring real AFDC benefits to the levels of a decade ago and reducing or eliminating regional disparities would do a great deal for people in need without much disincentive effect on work. Certainly there are equity considerations which would be served by allowing working poor families aid beyond Food Stamps. But there are strong arguments for the primary notion of categorical welfare, at least until we develop ways of attacking the fundamental social problems of the nation's poor directly and successfully.

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Science, politics, and the IQ controversy

MARK SNYDERMAN & STANLEY ROTHMAN

IN NOVEMBER 1971, the parents of seven black children brought suit against the state of California in federal district court, claiming that their children had been incorrectly placed in classes for the educable mentally retarded (EMR) on the basis of culturally biased IQ tests. The plaintiffs—under the instigation, and with the assistance, of the Bay Area Association of Black Psychologists, the Urban League, and the NAACP Legal Defense Fund, among others—presented as evidence of racial discrimination the fact that black children were represented in EMR classes in San Francisco in numbers far in excess of their proportion in the school district as a whole; the parents also claimed that the challenged intelligence tests were the primary determinant of EMR placement.

Judge Robert Peckham accepted the plaintiffs' claims as *prima facie* evidence of discrimination, thus shifting the burden of proof to the defendants to show a rational connection between the tests and their alleged use. After a preliminary hearing, Judge Peckham concluded that the state had failed to meet this burden, and he ruled that the school system had violated the students' rights to equal protection. He granted a preliminary injunction in 1972 enjoining any future placement of black children into EMR classes on the basis of intelligence tests.

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The full trial of *Larry P.* v. *Wilson Riles* (Riles was then California Superintendent of Public Instruction) began in October 1977 and lasted over seven months. Twenty-six "expert" witnesses were called by both sides in an attempt to establish the validity, or invalidity, of IQ tests for EMR placement. The court's decision, which did not come until 1979, essentially confirmed the results of the preliminary hearing. Judge Peckham found cultural bias in tests to be the most reasonable explanation for the disproportionate number of blacks in EMR classes, and concluded that California had once again failed to establish the validity of intelligence tests for this purpose. He therefore ruled that the plaintiffs had met their burden of proving discriminatory intent on the part of the state, and enjoined the state from using any IQ tests for the placement of black children into EMR classes without the prior approval of the court. In addition, the court's decision required that the status of all black children currently enrolled in EMR classes be immediately reevaluated, and that EMR enrollment be monitored so that the proportion of all minority children in California's EMR classes reflect their proportion in the school population. The state appealed, and in 1984 an appellate court upheld Judge Peckham's decision.

Ironically, as Judge Peckham was reaching his decision, California was in the process of completely revising its system of special education in order to comply with the requirements of the federal Education for All Handicapped Children Act of 1975. This law calls for more individualized programs of instruction for handicapped children, as well as education in regular classrooms whenever possible. Under the "Master Plan for Special Education" (as it was then called), California no longer has anything resembling EMR classes or the EMR classification; labels are now applied to types of instruction, not to the students, and very few handicapped students are completely separated from their nonhandicapped classmates. Moreover, the state keeps no records of the proportion of students of various racial and ethnic backgrounds enrolled in these programs.

All of this means that intelligence tests continue to be used in California as one element of an extensive program of evaluation and special education curriculum planning for both black and white students: The *Larry P.* ruling is virtually unenforceable. Nonetheless, because of continued pressure from the plaintiffs' attorneys and others, and the general climate of fear surrounding the use of intelligence tests, the state is currently considering a final appeal to the Supreme Court.

If such an appeal is sought, and a writ is granted, a Supreme

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Court decision would represent the culmination of more than sixty years of public controversy surrounding intelligence and aptitude testing. The recent history of this controversy, exemplified by *Larry P.*, is marked by the increasing subjugation of what is primarily a technical issue—the validity and usefulness of intelligence and aptitude tests—to a political struggle.

Testing politicized

Testing is an important public policy issue because tests continue to play a major allocative role in education and employment. Their politicization is inevitable and to some degree desirable; citizens should have a say in how resources—including "human resources"—are distributed. Difficulties arise when this politicization so overwhelms the technical issues that it is forgotten that most members of society, including most of those charged with policy decisions, are ill-equipped to deal with the technical questions involved. What has happened in the IQ controversy is that the expert voice has been misinterpreted and misrepresented, and science has been perverted for political ends. Judge Peckham's ruling in *Larry P.* rested primarily on a technical question, the supposed cultural bias of intelligence tests. That another federal district court judge, John Grady, in a highly similar case (*PASE* v. *Hannon*, 1980), faced with similar expert testimony, concluded that intelligence tests are not substantially biased is one piece of evidence that in a political context, technical questions are not decided on technical grounds. (The decision to use intelligence tests is a policy, and therefore a political decision, in which the technical question of test validity should play an important but not necessarily decisive part. The question of test validity, or test bias, on the other hand, is a purely technical one, and should not be influenced by political considerations.)

Throughout the history of intelligence testing, various parties have been guilty of this distortion of expert opinion. These groups or individuals have allowed their political opinions about the proper use of tests to override a careful examination of the empirical literature about testing. Proponents of testing have been as guilty of these tactics as have its critics. In recent years, however, critics of testing, aided by the news media, have gained the upper hand. When *Time* magazine tells us, as it did in 1977, "the more tests that are devised, the more educators seem to doubt their validity," we are led to believe that those who publicly attack tests are echoing those most knowledgeable about them. When technical issues become important matters of public policy, whether it be in the courts, the legis-

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latures, or the news media, the adversarial nature of political debate inevitably overshadows the objective assessment of expert opinion.

Unfortunately, expert opinion, based on empirical data, is particularly important where technical issues are involved. In an effort to determine just what experts on intelligence and intelligence testing actually believe, we surveyed them. We found that, whatever the views of the courts, the press, and the articulate public, most experts in the field still believe in the validity and usefulness of IQ testing.

It is not enough, however, that we simply gauge expert opinion accurately. Before we turn to the results of our survey, and in order to understand more completely the political controversy surrounding intelligence and aptitude testing, we must first look at the various constituents of the controversy, and the forces that have convened to bring about the present situation.

Testing under attack

Following World War II, intelligence and aptitude tests, which had previously been seen primarily as tools for increased efficiency in education and employment, held out a new hope: the means for achieving a more democratic society through the unbiased search for ability. Tests began to be seen as tools for achieving a social order based not on privilege or wealth, but on merit and ability.

By the early 1960s, however, the political climate had begun to change. It became clear that many of those for whom tests were to be a road to the good life never got there. Popular books and articles began appearing in which intelligence and aptitude tests were criticized as being virtually meaningless, and the testing community was portrayed as an antidemocratic force with unjustified power over people's lives. The civil rights movement awakened public consciousness to the plight of many minority groups, and the persistent racial and socioeconomic differences in test scores used to allocate resources and opportunities were interpreted as being evidence of test bias. Arthur Jensen's 1969 *Harvard Educational Review* article, in which he hypothesized that the black-white IQ difference might be partially hereditary, was the spark that set the IQ controversy off in full force. Richard Herrnstein's 1971 *Atlantic* article making the same claim for socioeconomic status (SES) differences in IQ, and William Shockley's public speculations about paying those with low IQs not to have children, added fuel to the fire.

Much of the growing disillusionment with testing was also tied to two movements within the psychological and educational com-

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munities. The first was the increasing stress placed on the plasticity of intelligence, as evidenced by Head Start and other intervention programs. While the idea that the environment could significantly affect intelligence had for years been accepted by psychologists, the new wave seemed to go beyond this to challenge the long-standing psychological consensus that genes also play a large role in within-group differences in IQ.

At the same time, the educational establishment was moving towards "mainstreaming," the practice of teaching handicapped children in the same classroom with their nonhandicapped peers, rather than in separate classes. Mainstreaming is mandated by Public Law 94-142, the Education for All Handicapped Children Act of 1975. In the years preceding the passage of this act, many educators had come increasingly to believe that teaching handicapped children (regardless of the type of handicap) in separate classes is stigmatizing and detrimental to the educational process. At the same time, there was a very strong trend away from "tracking" (ability grouping) among nonhandicapped children, the idea being that all children should, as much as possible, be given the same education. A large part of the problem with tracking and other forms of educational segregation is that students from certain racial and socioeconomic groups find themselves disproportionately in the excluded groups. As a primary tool by which tracking and placement decisions are made, intelligence and aptitude tests came under close scrutiny. *Larry P.* is, of course, one example of where this examination led.

As Professors Bernard Davis, in *The Public Interest*, and Richard Herrnstein, in a recent *Atlantic* article, have noted, the news media were quick to latch on to the more general criticisms of testing. By the mid-1970s, the press had declared the critics of testing the winners in this debate. As Dan Rather said in the 1975 CBS News special "The IQ Myth," not only are IQ tests relatively useless as measures of intelligence, but they are biased as well, for "it's economic class that marks the main dividing line on IQ scores." Davis notes the almost universally positive reviews in the popular press that met Stephen Jay Gould's 1981 book, *The Mismeasure of Man*, in which Gould attempts to tear down the testing edifice by exposing its alleged racist roots. Similarly, Herrnstein, in his examination of reviews in the *New York Times Book Review* of books concerning testing, found that all of the reviews published between 1975 and 1981 were critical of intelligence testing.

Among the numerous critiques of intelligence testing to appear during this period was a 1974 book, *The Science and Politics of IQ*

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by Princeton psychologist Leon Kamin.[1] Kamin argues that the history of testing has been one long attempt to keep minorities and the lower classes from usurping the privileges of those in power, and that this politicization of science includes the data on IQ heritability. Kamin claims that there is no reasonable evidence for *any* heritable component to individual differences in IQ.

As a result of his position, Kamin often has found himself playing the part of the spokesman for the opposition in media examinations of the debate over IQ heritability. Although Kamin represents the most extreme possible position on the issue, the producers of *60 Minutes* and others have been happy to set him up opposite Jensen or Herrnstein, giving their audiences the impression that experts were, at best, sharply divided about the role of genes in intelligence. That Jensen or Herrnstein were often chosen to represent the hereditarian position did not help matters, as these spokesmen had already been associated with "racism" in earlier press reports. The death blow for the hereditarian position, from the media perspective, came with the widely publicized scandal surrounding Sir Cyril Burt, the British psychologist who, late in life, was found to have faked data concerning the heritability of intelligence.

During the past ten years, as visible furor over intelligence and aptitude testing has subsided, the IQ controversy has reached a new stage, in which critics of testing are beginning to have a real impact on actual test use. For the first time since its inception, the use of intelligence and aptitude tests in schools began to decline during the 1970s. Similarly, the *Larry P.* decision has had a negative impact on test use in diagnosis and special education planning for handicapped students. In 1979, largely as a result of lobbying by Ralph Nader and his associates, the state of New York passed a truth-in-testing law requiring all admissions test makers to release the contents and answers to certain of their tests to the general public within a specified time after test administration. The law was passed over the objections of the testing industry, which argued that such a law would increase test costs, and reduce test validity, by preventing testmakers from reusing questions of proven worth. Employment testing has met a similar fate in the courts, where it is now virtually impossible to defend any test having "adverse impact" (score differentials between racial, ethnic, or economic groups) against charges of bias—witness New York City's recent out-of-court acquiescence regarding a police sergeant's exam it had spent a half-million dollars to have developed and validated as racially unbiased.

[1] Leon J. Kamin, *The Science and Politics of IQ* (Hillsdale, NJ: Lawrence Erlbaum Associates, 1974).

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What the experts think

The most unfortunate aspect of the public controversy over intelligence and aptitude testing, both in the news media and in the public policy arena, is that it is so often uninformed. Much of the relevant discussion and decision making seems more influenced by political considerations than by the empirical literature on intelligence and testing.

In order to obtain a clearer picture of informed opinion about the IQ controversy, we asked a sample of 1,020 testing experts their opinions on a wide variety of related issues. The expert population was purposely defined very broadly, so as to include not only those who primarily study educational testing, and who therefore might be accused of having a vested interest, but also other psychologists and educational specialists who might reasonably be thought to have expertise about some aspect of mental testing.

Our sample was drawn randomly from various divisions of the American Psychological Association (including the Evaluation and Measurement, Educational Psychology, Developmental Psychology, and School Psychology divisions), as well as from the American Educational Research Association and the National Council on Measurement in Education, and from more specialized groups like the Behavior Genetics Association and the Cognitive Science Society. Questionnaires were administered by mail between September and December 1984. The response rate was 65 percent. Follow-up phone calls to a sample of nonrespondents revealed no significant differences in demographics or substantive responding between the two groups.[2]

The respondents are truly an expert sample. Two-thirds have written at least one article or chapter on issues related to testing (the mean for all respondents is eleven). The majority are college or university faculty members, and over half are currently conducting research on intelligence or testing. (Few have direct financial ties to testing—only twenty-two of 661 respondents work for the testing industry.) Respondents were asked not to answer questions they did not feel qualified to address, thereby ensuring an even more expert sample for each question.

The questionnaire itself consisted of thirty-five substantive questions (many with multiple parts) covering a wide variety of testing-related topics, as well as a host of demographic and background questions. There were four categories of substantive questions cor-

[2] Our questionnaires, codebooks, and computer tapes will eventually be deposited at the Roper Public Opinion Research Center at the University of Connecticut for examination by interested scholars.

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responding to major areas of contention within the IQ controversy: "The Nature of Intelligence"; "The Heritability of IQ"; "Group Differences in Intelligence"; and "Test Use and Misuse." This brief summary will cover only some of the key findings in each area.

The nature of intelligence

Walter Lippmann's 1923 assertion that "we cannot measure intelligence when we have never defined it" expresses a basic criticism of intelligence testing echoed by scores of critics in the intervening sixty years. We attempted to assess directly the claim that testing experts cannot agree on a definition of intelligence, let alone measure it.

The critics appear to be wrong on both counts. Respondents were presented with a list of thirteen attributes frequently mentioned in definitions of intelligence, and asked which, if any, they believe are important elements of intelligence. The results, shown in Table I, display considerable agreement. Three attributes—"abstract thinking or reasoning"; "the capacity to acquire knowledge"; and "problem-solving ability"—were near-unanimous choices, and seven others were chosen by over 60 percent of respondents. The remaining three were rarely chosen. Respondents were also given the opportunity to list additional elements of intelligence. Very few were suggested, none by more than 2 percent of respondents. Obviously, a list of traits is not a rigorous scientific definition, and it certainly isn't a unified theory. Nonetheless, it can reasonably be concluded that when different psychologists and educators use the term "intelligence" they are referring to the same basic concept, having to do primarily with abstract reasoning and problem solving. Moreover, a recent survey by Yale psychologist Robert Sternberg and his colleagues reveals that not only do experts generally share a similar conception of intelligence, but it is highly similar to the conception held by nonexpert laymen.

The relation between the definition of intelligence and intelligence tests is the domain of construct validity, which refers to a test's ability to measure what it purports to measure. Intelligence tests are far from perfect in this regard, but it is fair to say that experts believe these tests are doing an adequate job. Table II presents the results of a question in which respondents were asked to indicate which of the important elements of intelligence, if any, are not adequately measured by the most commonly used intelligence tests. For each item, respondents are only those experts who had previously indicated that the attribute in question is an important element of intelligence. Of

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Table I. Important Elements of Intelligence

Descriptor	*% of Respondents Checking as "Important"*
Abstract thinking or reasoning	99.3%
Problem-solving ability	97.7
Capacity to acquire knowledge	96
Memory	80.5
Adaptation to one's environment	77.2
Mental speed	71.7
Linguistic competence	71
Mathematical competence	67.9
General knowledge	62.4
Creativity	59.6
Sensory acuity	24.4
Goal-directedness	24
Achievement motivation	18.9

Table II. Important Elements of Intelligence Not Adequately Measured By Intelligence Tests

Descriptor	*% of Respondents Checking as "Not Adequately Measured"*[a]
Abstract thinking or reasoning	19.9%
Problem-solving ability	27.3
Capacity to acquire knowledge	42.2
Memory	12.7
Adaptation to one's environment	75.3
Mental speed	12.8
Linguistic competence	14
Mathematical competence	12.1
General knowledge	10.7
Creativity	88.3
Sensory acuity	57.7
Goal-directedness	64.1
Achievement motivation	71.7

[a] Respondents include only those who had previously indicated that the given descriptor is an important element of intelligence.

the ten attributes checked by a majority of respondents as important, only two—"adaptation to the environment" and "creativity"—are thought by most experts to be inadequately measured. According to the experts, IQ, as a score on a test, does bear a meaningful relationship to intelligence as normally conceived, though the two are by no means identical.

Perhaps more important than the relationship between IQ and intelligence is the relation IQ bears to important life variables.

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After all, intelligence tests are decision-making tools, and knowing an individual's intelligence quotient is only useful to the extent that it can predict other behavior. The relation between IQ and school achievement is well-established—and rarely challenged. While conceding this point, critics have argued that IQ tests measure a very narrow conception of intelligence, substantially related only to the sorts of verbal skills valuable in school. In the real world, it is said, the importance of these skills is dwarfed by such attributes as patience and the ability to get along with other people.

Proponents of testing, on the other hand, claim that the skills measured by intelligence tests are among the most important determinants of success in American society. Our expert sample strongly agrees that whatever intelligence tests are measuring, it is important to social mobility. Seventy-one percent of respondents believe that IQ is an important determinant of SES in America. Twenty-five percent believe it plays only a small role, and only 4 percent believe it is not at all important.

The heritability of IQ

It is not uncommon to read, in the popular media and elsewhere, statements like "intelligence is largely determined by genes," or "intelligence is primarily a matter of environment and upbringing." Such statements are nonsense. Intelligence, like any other aspect of an individual's body and behavior, is as much dependent on genetic endowment as on environment—and vice versa. A fertilized ovum can no more become an adult human without environmental stimulation than the environment can produce a human being without genetic material to work on; each is completely dependent on the other. From this perspective, the nature/nurture "controversy" is no controversy at all.

While it is not possible to study the relative contributions of genes and environment to the development of intelligence within any individual, it is possible to examine the relation of differences in genes and environment to differences in intelligence between individuals. The primary measure of genetic contribution to individual differences in a trait is heritability. Heritability is a population-specific statistic, varying between 0 and 1.0, that represents the proportion of variance in a trait attributable to genetic variation. When the heritability of a trait is 0, as Kamin has argued is reasonable for IQ, it means that all of the variation in the trait among members of the population under study is due to environmental variation. In other words, the difference in IQ between the genius and the retardate is

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entirely a result of different environmental experiences. When the heritability of a trait is 1.0, the present range of environmental variation has no effect on individual differences in the trait in the population under study. Virtually all human behavioral and physical characteristics for which appropriate studies have been done have heritabilities between these two extremes.

Before the rise of environmentalism during the 1960s, it was clear from a reading of the empirical literature that there was a consensus among experts that genes play an important part in individual differences in IQ. In the wake of a changing philosophy, Kamin proposed that there is no reasonable evidence for *any* such genetic component. Others agreed with his conclusions, or at least seriously downplayed the heritable component to intelligence. We wondered if this new wave of environmentalism represented a real trend in the professional community, or if, in fact, a consensus still exists about IQ heritability. Our survey results make it quite clear that the latter is true. Ninety-four percent of respondents indicate that there is reasonable evidence for a significant heritable component to IQ in the American white population (most relevant studies have been with this population). When asked to place a numerical estimate on this heritability, the mean rating received was 0.60. In other words, on the average, our experts believe 60 percent of the individual differences in IQ in the American white population to be due to differences in genes. It is obvious just how far Kamin is from the scholarly consensus.

Group differences in intelligence

That blacks and members of the lower classes score lower than whites and members of the middle and upper classes on intelligence tests is a fact. The cause of these differences is under dispute. A common explanation is the tests themselves: They are geared, it is argued, toward the white middle class, and are therefore biased. This charge is easy to make and difficult to defend, because there are so many definitions of "bias." In this survey we defined bias as the degree to which a test underrepresents the actual level of ability of members of certain groups relative to the ability level of members of other groups. That is to say, a biased intelligence test is one on which members of a certain group, though of equal intelligence to members of other groups, receive lower scores. In such a case, a test score does not mean the same thing for members of all groups.

Using this definition, experts were asked to rate intelligence tests for bias against both blacks and members of lower socioeconomic

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groups. Seventy-nine percent of expert respondents think there is at least some racial bias, and 84 percent think there is at least some socioeconomic bias in the most commonly used intelligence tests. However, less than one-third of respondents in each case would characterize the bias as moderate or worse. These results parallel those in the content validity question; intelligence tests are not perfect instruments, but neither are they fatally flawed.

Determinations of test bias were the most important factors in the two court cases regarding intelligence test use for EMR placement, but they probably were not the only ones. Judicial decisions are rarely so simple. In cases involving expert testimony, as in all cases, judges are expected to apply the law, not merely assess the facts. With this caveat in mind, we asked experts their opinion about the use of intelligence tests for the placement of black and white children into EMR classes. There was near unanimous approval for intelligence test use in both cases; 95 percent of expert respondents believe intelligence tests should be used in EMR placement of white students, and 92 percent believe tests should be used for black students. Whatever bias there may be in these tests is apparently outweighed by their great usefulness in these situations.

The low bias ratings mean that, according to our expert population, the cause of group differences in IQ is not located solely in the tests themselves. Where, then, do they come from? The popular answer has been that, in addition to test bias, they are entirely the result of cultural, educational, and other environmental differences. Jensen disagrees, suggesting that genetic differences probably do play a role in the black-white IQ difference. Herrnstein has made the same argument for the positive relation between IQ and socioeconomic status. Both have met with virulent opposition, and very little vocal support from either the professional community or the general public. We were surprised, therefore, to find that most of our experts agree with Jensen and Herrnstein. When asked to give their opinion of the source of the black-white and SES differences in IQ, the majority of expert respondents attributes the differences to both genetic and environmental variation. Fifty-three percent believe that genes and environment are both involved in the black-white difference, compared to only 17 percent who attribute the cause entirely to the environment. (The remainder of respondents—30 percent—do not feel there is sufficient evidence to reach *any* conclusion.) As to SES differences in IQ, 65 percent attribute them to genes and environment, and only 14 percent think environmental variation is a complete explanation.

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Test use and misuse

Ultimately, the war over testing will be won or lost on the issue of test use. Intelligence and aptitude tests only matter to the extent that they are used, and therefore the most important question one can ask of these tests is: "What good are they?" Are they the efficient decision-making tools they are purported to be, or are they biased, invalid instruments and therefore undesirable selection tools?

Test usefulness is a relative question. Selection and placement in education and employment must go on, whether tests are used or not. The issue is therefore not whether intelligence and aptitude tests are perfect instruments for these purposes (they are not), but how selection with the use of tests compares to selection without it. There is, for example, no question that mistakes are made in the placement of children into EMR classes when tests are used as one of the criteria. It is unfortunately true that some children are placed into these classes improperly, and others are deprived of the help they need. But, as we have seen, experts overwhelmingly believe that the placement process would be even worse if selection were made solely on the basis of criteria other than tests.

So it is with other test uses as well. Experts were presented with a list of seven educational and employment decisions for which intelligence and aptitude tests are commonly used, and asked to rate each for the role tests should play in such decisions, relative to the role they now play. Ratings are on a 7-point scale, where 1 represents "severely reduced role", 7 is "severely increased role," and 4 is "remain about the same." The results are shown in Table III. The first three items represent the most common test uses in elementary and secondary schools: diagnosis and special education planning; tracking (ability grouping); and vocational counseling. In each case, our experts are generally in favor of maintaining test use at its present level, though somewhat of a reduced role is favored for tracking decisions, consistent with the decline in the popularity of tracking.

Much of the recent criticism of aptitude testing has focused on test use in admission to schools of higher education, and particularly on the limited validity of these tests; i.e., they are, at best, only moderately good predictors of performance in school. The impression given by many of these critiques, either explicitly or implicitly, is that these tests are the primary, if not the sole, criterion by which admissions decisions are made, thereby depriving thousands of worthy students of a desired (and desirable) education.

In fact, for the vast majority of college applicants, admissions

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Table III. Preferred Level of Intelligence and Aptitude Test Use

Test Use	*Mean Rating*[a]
Diagnosis and special education planning in elementary and secondary schools	3.98
Tracking decisions in elementary and secondary schools	3.43
Vocational counseling	4.01
College admissions	3.94
Graduate and professional school admissions	3.96
Hiring decisions	3.36
Promotion decisions	2.89

[a] Rating of 1 = "severely reduced role," 4 = "remain about the same," and 7 = "severely increased role."

decisions are hardly an issue. Even though over 90 percent of all American colleges and universities require applicants to submit an admissions test score, most undergraduate institutions are not very selective in their admissions policies. And for those applying to the more selective colleges and graduate programs, admissions test are never the sole criterion for admissions decisions, and rarely, if ever, are they weighted more heavily than high school or undergraduate grades. It is true that admissions tests have limited validity, but the fact remains that high school or college grades plus test scores are a better predictor of future performance than grades alone. It is not surprising, therefore, that our experts believe that aptitude test use in admissions should remain at about the same level. When they were asked about the validity of each of six admissions tests (Scholastic Aptitude Test (SAT), American College Testing exam (ACT), Graduate Record Examination (GRE), Law School Admission Test (LSAT), Medical College Admission Test (MCAT), and Graduate Management Admission Test (GMAT)) separately, none received less than an 82 percent positive response.

As one moves out of educational settings and into employment, expert opinion becomes less supportive of testing, and begins to look more like popular criticism. Our experts generally favor a decreased role for test use in promotion and hiring decisions (Table III). These experts were also asked what proportion of employment tests they believe are improperly validated for the purpose for which they are being used. Three-quarters of our respondents believe the proportion of such tests to be moderate or large. These data relate to the difficulties most employers have in conducting large-scale validation studies, and to the fact that many in business may have been overanxious in their search for better decision-making tools. Of course, "improper validation" does not necessarily mean "invalid."

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It may be that many current tests that have not been subjected to the appropriate validation studies may turn out to be valid when such studies are done. But this possibility does an employer little good when he is in court trying to defend himself against charges of racial discrimination.

Many issues about intelligence and aptitude testing are still hotly disputed within the scientific community. Taken as a whole, however (and with the possible exception of employment tests), our experts hold generally favorable attitudes towards intelligence and aptitude tests. Despite some problems with bias, and less than perfect validity, experts believe intelligence tests to be reasonable measures of a common conception of intelligence, that individual differences in these skills are to a significant degree inherited, and that these skills are important to success in American society. They also believe that black-white and SES differences in IQ are to some degree due to genetic differences, and that test bias is insufficient to account for these IQ differentials. Consistent with these opinions, experts sampled favor the continued use of intelligence and aptitude tests at their present levels in elementary and secondary schools, and in admissions to higher education, and (in a somewhat reduced role) in employment.

Going public

The news media have been crucial to the propagation of the IQ controversy. While they have not invented the issues of concern about testing, they are largely responsible for keeping these issues in the public consciousness. Ideally, this is as it should be: When educational and employment practices come under attack, the news media have a responsibility to report it. The media also have the responsibility to be as accurate and objective as possible. We have already discussed how the media appear to have painted a rather bleak picture of intelligence and aptitude testing. Consistent with this conclusion, experts hold a relatively low opinion of news media accuracy in coverage of testing related topics. Table IV presents the mean accuracy ratings received for ten different news sources. Ratings are on a 7-point scale, where 1 is "very inaccurate," and 7 is "very accurate." All ratings fall in the middle of the scale, indicating significant accuracy. Ratings were from a low of 3.09 for commercial television networks, to a high of 5.08 for the *Christian Science Monitor*. The *New York Times*, long considered by journalists to be the hallmark of complete and accurate coverage, received a 4.62.

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Table IV. News Media Accuracy Ratings

News Source	*Mean Rating*[a]
Christian Science Monitor	5.08
Commercial television networks (ABC, CBS, NBC)	3.09
National Public Radio	4.40
New York Times	4.62
Newsweek	3.85
Public Broadcasting System (television)	4.80
Time	3.83
U.S. News and World Report	3.72
Wall Street Journal	4.40
Washington Post	3.98

[a] Rating of 1 = "very inaccurate," 7 = "very accurate."

Within our sample, there were no significant differences in opinions about testing between those experts who had served as sources of information for the news media and those who had not. Thus, the news media are at least gathering a representative sample of expert opinion. How this information is presented is another matter. When coverage of testing is dominated by reports of attacks on Jensen, Herrnstein, and Shockley, and of claims that tests are biased or meaningless, an unfavorable impression is given—even if each individual story presents a balanced (though highly simplified) account.

One of the presumed advantages of sampling expert opinion is that, in the politically charged atmosphere surrounding tests, experts will be more influenced by the empirical literature than by more subjective considerations. And in fact political perspective, and a host of other demographic and background variables such as age, gender, ethnicity, and childhood family income are poor predictors of expert opinion about testing. Political perspective was measured via a global (liberal-conservative) self-assessment, and by agreement or disagreement with a series of statements concerning various economic, sociocultural, and foreign policy issues. Despite the fact that these data indicate our sample is slightly left-of-center politically, these experts hold generally favorable attitudes towards testing.

The relative objectivity of expert opinion revealed by these data is a strong argument for judges, legislators, and other policymakers to take these opinions seriously. Policy decisions involving intelligence and aptitude testing affect most of us. As our society becomes increasingly technological, selection in education and employment will become even more crucial. The decision to use tests as allocative tools need not be made entirely, or even primarily, on coldly rational grounds, but it must be informed.

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The controversy in perspective

We have seen that expert opinion contrasts sharply with criticisms of intelligence and aptitude testing frequently heard in the press, the courts, and elsewhere. How does the bulk of the population fit into this picture? Has the general public been swayed by the critics and the media, or does it hold views more in line with those of the experts? The results of various public opinion polls conducted over the past twenty years indicate that public opinion is divided on the IQ issue, a division not so much between factions of the population as within each individual. It seems that most Americans look favorably upon intelligence and aptitude tests, and would support their continued use, but do not believe there are meaningful individual and group differences in intelligence, as the tests seem to indicate. In this sense, the outcry against tests as being biased, and against those who argue that individual and group differences in intelligence are heritable, is probably an accurate reflection of the public consensus.

The ambivalence about testing revealed in public opinion polls is most clearly evident within the National Education Association (NEA), one of the first organizations to call for a complete moratorium on standardized testing. In 1972, the NEA polled 301 of its members who were about to attend a conference on testing and violations of human and civil rights. These teachers overwhelmingly agreed that standardized tests are unfair to minority groups, that tests are widely misunderstood and misused, and that IQ tests measure experience and learning rather than inborn ability. Yet, when asked what should be done about the situation, only 17 percent of the respondents favored even as much as a curtailment of standardized testing. The modal response was to conduct an intensive educational program to prevent the misuse of tests. These teachers were unwilling to give up a useful tool, despite its problems. The perception of bias in tests and low IQ heritability reflects an aversion to the ubiquitous individual and group differences in IQ. This is a fascinating postscript to these survey results: It was from the very same 1972 NEA conference that the NEA resolution calling for a moratorium on testing emerged, testimony to the power of a vocal minority, and evidence that, even within the NEA, the war on testing is being led by a small group.

The contrast between the general perception of test usefulness and the desire not to believe what the tests seem to be telling us—that there are meaningful individual and group differences in intelligence—lies at the very heart of the IQ controversy. It also explains

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why the controversy is primarily political, not scientific. The impact of the criticism of testing in public policy arenas, the possibility of an antitesting bias in the news media, the public perception of no group differences in intelligence, and the taboo surrounding the discussion of such issues all must be contrasted with the results of the present survey of expert opinion, and with the possibility that the public generally favors the use of standardized tests.

This conflict is an example of what Daniel Bell calls the "disjunction of realms" in capitalist society. Bell identifies a major source of tension arising from the conflict between a primarily techno-economic social structure, based on notions of efficiency and a meritocratic hierarchy, and political and cultural realms dominated by a liberal ideology emphasizing individual worth and the equivalent value of all human experience. This disjunction is reflected in the rational belief in intelligence and aptitude tests as efficient tools for the distribution of resources that coexists with a cultural and political outcry against supposed individual and group differences in intelligence. The IQ controversy represents a clash of values, often within the same person, between a belief in a meritocratic system, and the desire to see everyone succeed.

Largely political organizations such as the NEA, the Association of Black Psychologists, and the NAACP (all of which have called for a moratorium on testing), as well as the Nader group, have been active in the fight against standardized testing. These organizations set themselves up as defending egalitarianism against those who would use tests to oppress minorities and further a caste system based on race, social class, and a narrowly defined set of skills. The news media, while not as blatantly political, are no less immune to these sentiments.

Public policymakers are certainly not insensitive to expert opinion, but they are in the political realm, and are thus largely concerned with achieving equitable solutions. Those who claim to represent these ends are bound to be more persuasive than are unemotional proponents of efficiency. (That tests continue to be widely used is evidence that the social structure can still hold its own against the pressure of ideology.) It is easier, and certainly more palatable, to believe that everyone has equal potential, that all things are possible if one works hard enough, and that all skills are equally valuable. In our present social structure, the last of these is false, and when tests seem to tell us that the first two are not true either, we are disturbed. Few people are bothered by the idea that there may be innate differences in musical aptitude or athletic ability, or even

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that genes may play a role in group differences in these abilities. But intelligence is different. Rightly or wrongly, intelligence is perceived as central to an individual's worth. To call someone tone-deaf or clumsy has not nearly the impact of calling him stupid. When a test purports to tell us that all men are not created equal, there is a tendency to blame the messenger rather than reject a proposition which, though originally intended to apply only to rights, has come to include abilities as well.

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SPRING BOOKS

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contents

Richard John Neuhaus on "authentic community"
p. 99

Neil M. Ribe on the biological revolution
p. 104

Nathan Glazer on New York City
p. 108

Ezekiel J. Emanuel on educating doctors
p. 112

R. Shep Melnick on deregulation
p. 117

James Fallows on immigration
p. 123

Terence J. Pell on the new legal theory
p. 128

Gary L. McDowell on The Federalist
p. 135

Malcolm J. Sherman on elite institutions
p. 139

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Habits of the (Academic) Mind

RICHARD JOHN NEUHAUS

Robert N. Bellah, Richard Madsen, William M. Sullivan, Ann Swidler, Steven M. Tipton: **Habits of the Heart: Individualism and Commitment in American Life.** *University of California Press. 355 pp. $16.95.*

HABITS OF THE HEART has been widely acclaimed as a work of social analysis and public philosophy worthy of the mantle of Tocqueville—a mantle it claims. "There is no methodological innovation in this book," the authors modestly say in an appendix. In most respects that is true. Having obtained sundry grants to help support themselves and research assistants, five friends engaged in "more than five years of dialogue . . . particularly during the summers" and became "a group that shared a common culture." "During these sessions, we worked out a common interpretive framework, which in turn influenced each field worker in his or her subsequent interviews." The authors assure us that, "though we did not seek to impose our ideas on those with whom we talked . . . we did attempt to uncover assumptions, to make explicit what the person we were talking to might rather have left implicit." The authors reject the methodological narrowness that would limit them to the evidence uncovered, for they admit that some interviews, which apparently did not advance the "interpretive framework" on which they had agreed, were omitted. In short, the methodology might be described as exceedingly flexible. Statements such as the following are typical: "On the basis of our interviews, and from what we can observe more generally in our society today, it is not clear that many Americans are prepared to consider a significant change in the way we have been living." The authors quickly add, however, that some of the "more perceptive" people with whom they talked seemed to agree with their interpretive framework.

THE INTERPRETIVE FRAMEWORK—or, more accurately, the argument—of the book is that American life is plagued by rampant individualism that militates against "political commitment" and "authentic community." There are several ways in which our unhappy situation might be remedied, we are told, and the chief of these is a new movement toward what the authors, like so many others, call economic democracy. To this familiar argument are added some-

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what less familiar distinctions between individualisms. There are good individualisms, such as the "biblical" and "republican," which emphasize character, duty, and community. And then there are bad individualisms, such as the "utilitarian" and "expressive," which undermine all three. Bad individualisms are part of an "ontological individualism" that opposes the authors' favored view of "social realism," a view which recognizes that "society is as real as individuals." Good individualism, which is thoroughly compatible with social realism, has the redeeming merit of not being individualistic.

That, briefly stated, is the argument that is many times repeated, occasionally with stylistic variation. In order to demonstrate the pervasiveness of bad individualisms in American life, the authors draw on interviews with more than two hundred white middle-class people, mainly in California. There are four concentrations of interviews: people around the high-tech industries of "Silicon Valley," "therapists, psychologists, and psychiatrists of various stripes in a major southern city and in the San Francisco Bay area," civic activists in a town near Boston, and community organizers and "movement people" involved in the Campaign for Economic Democracy. The authors acknowledge that this is not a random sampling of Americans, but they are also sure it is "not markedly aberrant" and can therefore serve as a basis for generalization about the state of the American soul. Not surprisingly, the interviews amply illustrate the argument the authors would make. The result is a veritable survey of civilization and its discontents. People say their lives lack coherence or ultimate meaning, they are lonely, depressed by the ruthless competitiveness of a consumerist society, and, above all, they are bereft of authentic community.

As TO THE MINORITY FEW who think they do have community enough, the authors are keen to point out that they are deceiving themselves. What these people call community, we are instructed, is more often than not based on "myth" and "nostalgia," or their so-called communities are really nothing more than "lifestyle enclaves." A distressing number of people think they find community in their families, without realizing that the focus on the family is really antipublic, privatizing, and a retreat from authentic community. The authors are in the venerated debunking tradition of the social sciences and are not about to accept that people have found meaning simply because they say they have. Meaning means what the authors mean by meaning.

Meaning means community "in a strong sense": an America of intense social interdependence, with maximum political participation in decision making, especially decision making about the "just distribution" of economic benefits and burdens. Meaningful community therefore means much more equality. Here, and despite the authors' modest disclaimer, there is a most provocative methodological innovation. The proposed methodology of ideas, so to speak,

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is to update and build upon the insights of Tocqueville. The innovation is in rejecting from the start the insights of Tocqueville. The authors are quite aware of what they are doing. "It seems to us that it is individualism, and not equality, as Tocqueville thought, that has marched inexorably through our history." Nonetheless, they say, they are "taking [their] clue from Tocqueville."

Theirs is hardly a minor emendation of the master. The second volume of *Democracy in America* is an extended essay on equality and the dangers of democratic despotism posed by the egalitarian impulse. The authors would, in the name of Tocqueville, excite the impulse that he urged us to temper. Even the title, "Habits of the Heart," is intended to invoke the aura of Tocqueville, although Tocqueville apparently used the phrase only once, and that in passing. While Tocqueville's name is laced through the pages of the book, the substantive connection with his thought is frequently imperceptible. In the appendix, for instance, we are told that Tocqueville saw his task as "appropriating and applying" the insights of men such as Rousseau—which is a little like saying Kierkegaard was "appropriating and applying" the insights of Hegel, or Karl Marx those of Adam Smith. If he knew he was being drafted to support the central argument of *Habits of the Heart*, there is no doubt that Tocqueville would declare himself a conscientious objector. There is no doubt because, in fact, he rejected the same argument as it appeared in the eighteenth and nineteenth centuries, notably in France, where he witnessed egalitarianism on its inexorable march.

THE ARGUMENT OF THE BOOK, as stated above, is simple and straightforward. It is not clear why the authors felt it necessary to complicate it with the invocation of august and frequently contradictory authorities, selective interviews, an elaborate critical apparatus, and the introduction of subjects that hardly serve the case they would make. For example, we are told that it is "a fact that the family is no longer an integral part of a larger moral ecology tying the individual to community, church, and nation." But surely all the evidence indicates (at least the authors alert us to no evidence to the contrary) that the family is among the chief factors in church membership and support and probably the chief reason why people choose the communities in which they live and become involved. The authors also give major weight to the early Lynd studies of "Middletown" that depicted a weakening of religious and other civil ties, but consign to a place deep in the endnotes a brief reference to Theodore Caplow's more recent studies of Middletown that dramatically demonstrate that quite the opposite has happened in the last fifty years. As another example, they correctly note that mainline Protestant churches have in recent years "become more isolated from the general culture." One reason, they say, is that religious specialists, like other specialists, speak only to one another and have lost touch with their constituencies. But then we

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are told that "the Catholic church moved toward the center of American public life, invigorating the major Protestant denominations as it did so." This is illustrated, according to the authors, by the Catholic bishops' pastoral letter of 1983 on nuclear war. That is, to say the least, a curious reading of religio-cultural shifts. I expect the more accurate reading is suggested by James Reichley in his recent *Religion in American Public Life*, namely, that Catholic leaderships are following mainline Protestant leaderships on the road toward greater cultural marginality.

It is not unfair to wonder whether the authors' own fear of marginality might explain the strange construction of *Habits of the Heart*. The authors are surely aware that their vision for "reconstituting the social world" is shared by relatively few Americans, and therefore it would not pay to set forth their argument as baldly as it is set forth above. They insist that "such a vision is neither conservative nor liberal in terms of the truncated spectrum of present American political discourse." They are undoubtedly correct. Not in order to denigrate their vision, but for the sake of clarity, one notes that their vision is neither liberal nor conservative but teeters on the radical edge of American politics, poised for a great leap leftward. According to them, Reagan and all his works and all his ways epitomize the evil we must foreswear. With Reagan "we have reached a kind of end of the line"; in the Reagan world view "the economy [is] the only thing that holds us together" as Americans. The authors, on the other hand, are concerned with the things of the spirit. The question of the American soul cannot be reduced to economics, we are told, only to read a little further on that "the litmus test that both the biblical and republican traditions give us for assaying the health of a society is how it deals with the problem of wealth and poverty." So economics is the key after all, except it is the authors' version of distributive economic justice.

REDISTRIBUTION IS THEIR ANSWER to poverty, for instance, "but the solution to our problems remains opaque because of our profound ambivalence." Our ambivalence is in our feeling that we "can look down on those who have not." The work ethic, we are told, is not declining; we must only restructure the nature of work. But too many Americans resist the social reconstruction that is needed in this and other areas. For example, a small town resists the building of low-income housing and thus is guilty of employing "local chauvinism" to "justify segregationist policies." Similarly, because we are afraid to think of what a "just society" means, too many Americans resist measures that go beyond equality of opportunity to equality of result. The authors are aware of the alternative analyses offered by proponents of democratic capitalism such as Michael Novak and George Gilder. Not to worry: In one sentence in the endnotes the reader is assured that their "fallacies" have been exposed. In urging their transformation of American society, poli-

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tics, and economics the authors typically do not argue but only assert. The underlying assumption, apparently, is that "more perceptive" readers will readily recognize the self-evident merit of their proposals. It is worth noting that the controlling argument, the argument for economic democracy, is a reprise of William M. Sullivan's 1982 essay, *Reconstructing Public Philosophy*. Possibly some of the other authors, whose interests are more varied, were not aware of the degree to which their concerns were being drafted to advance Sullivan's cause.

In any event, here is the book's vision of what has gone wrong with America and what must be done about it: "We have imagined ourselves a special creation, set apart from other humans. In the late twentieth century, we see that our poverty is as absolute as that of the poorest of nations. We have attempted to deny the human condition in our quest for power after power. It would be well for us to rejoin the human race, to accept our essential poverty as a gift, and to share our material wealth with those in need." The last sentence of the last chapter reads, "Above all, such a vision seeks the confirmation or correction of discussion and experiment with our friends, our fellow citizens." Some of their friends may be willing to discuss the vision, mainly out of friendship. But it is doubtful that any significant number of their fellow citizens will be prepared to experiment with it. The reluctance is due not simply to the fact that the America described in this jeremiad is unrecognizable to most of us, but to the doleful fact that their vision has been tried and found wanting, again and again and again.

THE LEAP PROPOSED by *Habits of the Heart* is a great movement, a kind of fulfillment of the civil rights movement, that will transform our "social ecology." It is gently suggested that "such a social movement would lead to changes in the relationship between our government and our economy." But, again, not to worry: "This would not necessarily mean more direct control of the economy, certainly not nationalization." It would mean "changing the climate in which business operates so as to encourage new initiatives in economic democracy and social responsibility." Getting more specific, the book looks at "the two boldest efforts" to get us out of our present plight. One is the Administered Society as presented by Felix Rohatyn, who would do for the nation what he did in the mid-1970s for New York City. But there is something disturbingly undemocratic about the Rohatyn option. This leaves us with the "bold effort" associated with Tom Hayden and Economic Democracy. The authors elect as their spokesman for this promising proposal none other than Michael Harrington, and proceed to treat the reader to Mr. Harrington's book on socialism, which he has written so devotedly and so often.

Thus *Habits of the Heart* begins with the quest for community and transcendent truth, and ends up with the habits of the mind

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that rummages through the tattered pages of history's closed cases. It is, to use their words, a kind of end of the line. And it is a great pity, for some of the questions raised and insights provided by this book deserve much better than yet another partisan tract. One reason for its failure may be that, as the authors observe in another connection, "today's specialized academics, with notable exceptions, write with a set of intellectual assumptions and a vocabulary shared only by their colleagues." And, as time passes and new thoughts are thought and old fallacies exposed, by fewer of their colleagues.

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After the Biological Revolution

NEIL M. RIBE

***Leon R. Kass, M.D.:* Toward a More Natural Science: Biology and Human Affairs.** *Free Press. 370 pp. $23.50.*

WE are now in the second decade of what has been called the "biological revolution": the development of new technologies for the control of biological processes. It is well known that these new technologies—such as genetic screening and abortion, laboratory fertilization and embryo culture, gene splicing, and cloning—raise unprecedented and seemingly insoluble ethical dilemmas. Yet the biological revolution also poses a more serious if less obvious challenge: It forces us to reconsider our traditional notions of morality itself and of man's place in the world. This challenge is the subject of Leon Kass's *Toward a More Natural Science*, which aims "to search out the human significance of the presently new biology, and to search for a yet newer and richer biology that will do justice to matters of human significance." Kass, who teaches in the College and in the Committee on Social Thought at the University of Chicago, was trained as a physician and a molecular biologist, and for the past fifteen years has been one of the most perceptive analysts of the human consequences of the new biology. *Toward a More Natural Science* offers a selection of thirteen essays written during this period, three of which originally appeared in *The Public Interest*.

TODAY'S BIOLOGICAL REVOLUTION is no accident, for it was first envisioned by the founders of modern science in the seventeenth century. Modern science began by rejecting the natural science of the ancients (primarily Aristotle) which had prevailed in the West

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for nearly two millenia. As Kass notes, "ancient science had sought knowledge of *what* things are, to be contemplated as an end in itself . . . modern science seeks knowledge of *how* things work, to be used as a means for the relief and comfort of all humanity. . . ." The possibility of knowledge for the "relief of man's estate" was announced by Francis Bacon in 1620, and Descartes's *Discourse on Method* (1637) held out the promise that the new science would render men "masters and possessors of nature."

Nature, however, includes *human* nature; and both Descartes and Bacon foresaw that the new science would eventually give man the power to master his very self. Descartes suggested that this would come about through advances in medicine: "For the mind depends so much on the temperament and disposition of the bodily organs that, if it is possible to find a means of rendering men wiser and cleverer than they have hitherto been, I believe that it is in medicine that it must be sought." Bacon's posthumous *New Atlantis* describes a future utopia whose "jewel" is a secret scientific society called Salomon's House or the College of the Six Days Works, which, among other things, produces new species by genetic engineering: "By art likewise, we make them greater or taller than their kind is; and contrariwise dwarf them, and stay their growth . . . we make them differ in colour, shape, activity . . . we find means to make commixtures and copulations of different kinds . . . neither do we this by chance, but we know beforehand of what matter and commixture what kind of those creatures will arise."

THE SOURCE of the ethical dilemmas of biotechnology is a tension at the very heart of the scientific project inaugurated by Bacon and Descartes. These men were guided by a moral imperative, the relief of man's estate. Yet modern science has rejected as outside its purview all questions of what is good for man. The moral imperative of modern science therefore has no foundation within that science itself. This difficulty was easy to ignore as long as science was confined to serving ends (such as health and material comfort) that took "human nature," as traditionally defined, for granted. The new biological technologies, however, have now given man the power to change human nature. Hence the central dilemma of the biological revolution that Kass examines: seemingly limitless power with no standards to guide its use.

Unlike many participants in the sometimes noisy bioethical debate, Kass seeks no transcendent or religious justification for his views (although he is sympathetic to those who do), and is not concerned to declare the use of a particular technology either "right" or "wrong." Instead, he suggests, we do best if we seek to understand the significance of the technologies in question for our conception of what is human. For Kass, the greatest danger of the new technologies is that they threaten to erode the naturally given attributes and relations that define human life: such things as birth, gender, lin-

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eage, selfhood and identity, health, aging, and death. Concerning laboratory fertilization and embryo transfer, for example, he asks: "What does 'mother' mean—and what can and should it mean for human affairs—if one woman donates the egg, another houses it for insemination, a third hosts the transferred embryo and gives birth to the baby, a fourth nurses it, a fifth rears it, and a sixth has legal custody?" He bids us consider whether cloning (the production of genetically identical human beings) is consistent with the idea of the identity and dignity of the individual, and asks: "If the attempts to clone a man result in the production of a defective 'product,' who will or should care for it, and what status or rights will it have? If the offspring is subhuman, are we to consider it murder to destroy it?" For Kass, the greatest danger of biotechnology is not that it can be abused for evil purposes, but that it may lead to a "voluntary dehumanization."

THE QUESTION OF DEHUMANIZATION is raised perhaps most forcefully in a provocative and troubling chapter, "Perfect Babies: Prenatal Diagnosis and the Equal Right to Life," which examines the ethics of selective abortion of fetuses with genetic defects. Kass notes that genetic abortion provides a good test case for ethical reflection because the practice can be defended on at least three serious grounds: avoiding the burden to society of genetically defective individuals (the "social" standard), preventing family suffering (the "familial" standard), and preventing the birth of individuals who will be unable to live a fully human life (the "natural" standard). Yet Kass argues that it is precisely because genetic abortion appears so "reasonable" that it raises such difficult issues. How does one decide if a defect is severe enough to warrant abortion? Is genetic abortion compatible with the principle that *all* human beings are endowed by nature with certain "inalienable rights"? Will the widespread practice of genetic abortion cause us to regard the "defectives" already among us—or those who escape detection before birth—as second-class citizens? Moreover, Kass concludes that each of the three standards used to justify genetic abortion simultaneously justifies the killing of defective individuals *already* born. Yet he does not condemn genetic abortion out of hand, and expresses his own sympathy for parents who feel compelled to choose this course.

THE ESSAYS grouped under the heading "Holding the Center: The Morality of Medicine" consider the traditional goals of medicine in light of the new biology. Biotechnology's power to alter human functioning implicitly threatens the autonomy of medicine as an art whose end is the preservation of the natural state of wholeness or "well-working" that we call health. Indeed, Kass points out that modern scientific biology does not even tell us that health is good and disease is bad, since both healthy and diseased processes equally obey the universal laws of nature. Yet perhaps, Kass suggests, medicine can teach us things about nature, and about the

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nature of ethics, that our biologists do not know. He argues that, in spite of the ever-increasing technological powers wielded by physicians, medicine remains an art in service, not mastery, of nature. Moreover, he suggests that medicine is an inherently moral activity, and that medical ethics therefore has its source in the very definition or nature of medicine itself. This view is developed most fully in "Is There a Medical Ethic? The Hippocratic Oath and the Sources of Ethical Medicine," a commentary on and defense of the Hippocratic Oath, in which Kass argues that the practice of medicine—as distinct from scientific research—can provide a model for a renewed understanding of man's relation to nature.

For if medicine teaches what our scientific biology cannot support—that living nature is not indifferent to the distinction between health and disease—we are invited to seek for a richer and more adequate biology that, in Kass's words, "affirms about life what life knows about itself." The search for a new biology, however, must face the challenge posed by the theory of evolution, which Kass takes up in "Teleology, Darwinism, and the Place of Man: Beyond Chance and Necessity?" The Darwinian (and neo-Darwinian) theory of evolution is of course one of the foundations of modern biology, and its revolutionary effect on man's self-understanding is well known. Less familiar, however, is the fact that the validity of the basic assumptions of Darwinism is still the subject of lively debate among serious scientists and philosophers. One of the most important issues in this debate is the question of "teleology": Do living organisms have natural purposes or goals? Kass shows that the concept of teleology is an empirical one, grounded in the observed directedness and self-organization of living things, and requires neither divine "special creation" nor the imputation of intelligence to plants and animals. He further suggests that Darwin's theory of natural selection, which appears to give an entirely nonteleological account of living nature, is in fact based on covert teleological premises (namely, that organisms are engaged in a "struggle for existence" and tend to reproduce themselves). Moreover, Kass sees evidence for a broader teleology in the upward trend of evolution towards progressively "higher" forms of life, and suggests that man with his unique faculties of self-consciousness may represent the peak of the evolutionary process.

IN THE REMAINING CHAPTERS Kass attempts to provide a framework for a new understanding of nature consistent with the genuine discoveries of modern biology while at the same time accounting for the distinctive capacities and concerns of man. Kass's approach owes much to a long tradition of philosophical biology stretching from Aristotle through Lamarck and Goethe to such modern thinkers as the biologist Adolf Portmann and the psychologist Erwin Straus. This tradition has been largely ignored in the English-speaking world because of the influence of Darwinism, and Kass has performed a great service by bringing it to the attention of a wider

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audience. Broadly speaking, this tradition may be characterized as a "phenomenological" biology: Its central concern is to understand the meaning of the manifold forms and appearances of organisms. Kass considers several such "forms" in these chapters, among them the upright posture, attitudes toward nakedness, and human funeral practices. One of the finest essays in the book is "Mortality and Morality: The Virtues of Finitude," in which Kass explores the meaning of death and argues that finitude is in fact our *sine qua non*. Perhaps the most provocative chapter, however, is "Looking Good: Nature and Nobility," in which Kass analyzes the phenomenon of blushing and shame in humans and animals. For Kass, the phenomenon of blushing shows that man is naturally concerned with self-esteem and hence with the ethical, and that ethics therefore has its roots in nature itself. In closing, Kass invites us to consider the possibility that a richer understanding of nature might even provide some guidance for how we are to live.

ALTHOUGH the "biological essay" seems to be a popular genre these days—witness the success of Lewis Thomas and Stephen Jay Gould, for example—it would be a mistake to regard Kass as just another entry in an already crowded field. Few essayists focusing on science today can match Kass's philosophical depth and ability to offer new insights into fundamental questions—the philosopher Hans Jonas is among the few who come to mind. The form Kass has chosen—the essay—should not be allowed to obscure the magnitude of his ultimate aim, which is nothing less than the philosophical reconstruction of natural science. Although *Toward a More Natural Science* claims to be no more than a first step toward this goal, it is a major contribution to the renewal of natural philosophy which is so urgently needed in our time.

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The City that Never Sweeps

NATHAN GLAZER

Martin Shefter: **Political Crisis/Fiscal Crisis: The Collapse and Revival of New York City.** *Basic Books. 270 pp. $21.95.*

Roger Starr: **The Rise and Fall of New York City.** *Basic Books. 258 pp. $17.95.*

NOT LONG AGO, a writer who had left New York City and was living in the South was interviewed in the *New York Times*. She said she had left because all discussion in New York—even among

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intellectuals and writers—turned sooner or later (generally sooner) to real estate. Certainly this suggests New York has come a long way from the crisis of 1975. With the price of co-ops and condominiums having gone up roughly tenfold, New York seems to be, as Martin Shefter's subtitle suggests, "revived."

To read these two books together, though, is to subject oneself to something like vertigo. Both treat the past problems of New York in the light of its history, but they are two very different histories indeed. Political scientist Martin Shefter, while concentrating on the crisis of 1975 and its aftermath, places it in a recurrent pattern he sees in the whole political history of New York. A stable regime in New York City, he tells us, must succeed in four areas: "mobilizing an electoral majority, promoting economic growth, maintaining the city's credit, and moderating political conflicts." ("Moderating political conflicts" seems to mean, among other things, dealing with the poor, new immigrants, and the trade unions.) There is an inner contradiction between the four objectives in that promoting the city's growth means lower taxes on business, and maintaining the city's credit means limiting expenditure on city services, while moderating political conflicts means more for the poor and for the city services addressed to them, and more for city employees. And winning elections thus requires higher taxes, more services, and higher wages.

Machine government, for which New York City has been famous, tries to manage these four imperatives, but in time the costs of mobilizing an electoral majority and moderating political conflicts leads to a crushing tax load, which frightens away business, threatens growth, scares city creditors, and leads to a collapse—at which point a reform administration comes into power. But the reform administration, which is good at the two middle imperatives (promoting economic growth and maintaining the city's credit), fails at the other two. So the machine comes back, and the cycle begins again.

THIS, SHEFTER ARGUES, has been the pattern of New York City politics for the past 130 years. To this reader, though, the problem of placing the recent history of New York into this cycle raises all the problems Procrustes had with his guests. Mayor Koch, for example, is clearly a "reform" mayor, and we can place Mayor Beame in the "machine" column. Yet the crisis of 1975 broke when Beame had scarcely been in power long enough to have produced a machine-induced fiscal collapse and reform takeover. And indeed Shefter does not say he did: rather, he adds Mayor Lindsay's second term to the period of machine rule. It is clear that in Lindsay's first term he was a "reform" mayor, but in 1965, Shefter writes, he "managed to win reelection by coming to terms with many of the 'power brokers' he had denounced during his first campaign—Democratic machine politicians and municipal labor leaders—and his subsequent behavior in office reflected these new alliances."

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The main problem with this effort to compress the political and fiscal history of New York City into recurrent cycles is that each time the cycle comes around it appears to be very different. LaGuardia governed a very different city from Lindsay's in his first term, or Koch's today. The fact that the machine has been replaced by the municipal trade unions in terms of effective power is no mean difference; or that the Italians and Jews in the city's working classes have been replaced by blacks and Hispanics; or that the array of city services is infinitely greater than it was forty years ago; or that the expectations of the city's poor as to how they would rise and who would help them are quite different today.

If Martin Shefter's analysis of recurrent cycles requires a leap of faith—because differences, while of course noted, seem to play too small a role—Roger Starr's history is agonistic. The greatest city in the world at the conclusion of the Second World War, New York has been brought down: The crisis of 1975 is not part of a cycle, but a portent. The chief element in that decline was the rise of demands on government, from the poor, the minorities, and the middle class: Demands for higher welfare, cheaper apartments, lower subway fares, more city services of all kinds were such that the burden on business and real estate, which pays the taxes for all, became crushing. Starr refers to no earlier fiscal crisis in the city's history, but if he did, one is convinced he would find no recurrent pattern and would show that they arose from a different kind of government than that which brought us to the crisis of 1975. Roger Starr, when he talks of decline in city services, thinks of services that make the city a productive place; Martin Shefter thinks of services that deal with the people who have no or little role in its productive economy, and who, perhaps, are encouraged to stay out of the productive economy by those very services.

So while Shefter's history is that of new immigrants coming in at the bottom, allying themselves with the machine, and turning government to their ends, Roger Starr's history is one of technological and entrepreneurial breakthroughs that enhance the city as a producer of goods and services and provider of work (the Erie Canal is his favorite model). Shefter's history is that of gray recurrences, Starr's that of the brilliant flowering of a great world city, now being brought down by the inability of its leaders and citizens to keep it economically competitive. Many of its older economic functions are gone—its port, its manufactures—but Starr believes creative people could keep on finding new functions if only the political system would let them.

It is a complex story Starr tells, one which handles gracefully an enormous knowledge of the city in depth and detail. The story of the port—why it flourished, and why it declined—is a nuanced account in which no single element (such as containerization, or the criminal hold on the longshoremen's union, or the difficulty of rail connections in a city built on islands) overweighs any other. The

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description of the role of housing in bringing on the crisis draws on Starr's unequalled knowledge of the city's housing industry, markets, and policies. For example, he finds that the city's huge investment in subsidized middle-class housing was the principal factor in making the city's notes and bonds unsaleable. This investment was no accident: Services to the poor and dependent had grown so that, in effect, the middle classes had to be bribed to stay in the city. They wanted their share, too—and they got it through low taxes on single-family housing and huge subsidized middle-income projects. These projects in turn could not pay for themselves because they were competing with rent-controlled housing, yet another bribe to the middle classes. And since the projects were *public*, the tenants could always run to their elected representatives when rents were scheduled to rise to cover increased costs. In the end, the city lost half of its huge investment in these projects.

THE ELEMENTS OF DECLINE are laid out as in a watch, one element interacting with another, all combining to run down the mechanism rather than to keep it going. In any such system, there is something like a prime mover, and Roger Starr locates that, not in any material change or any decline in political competence, but in the interaction between a great population and a change in the moral code of the city's elite. His argument is that the city has created a great dependent class out of its newest population elements, and failed to induct it into a necessary moral order. How was it done in the past, and why do we do so badly with it today? Starr argues that in the nineteenth century and into the twentieth three factors assisted us: the presence of the frontier (the unsuccessful moved on), the need for new immigrants to be self-supporting, and the high death rate that afflicted the self-destructive and failures.

For example, he tells a story about a medical condition called subacute bacterial endocarditis, an infection of the heart muscles and valves which one can contract from infected needles used to inject drugs. The costs of treating it are enormous:

> the patients suffer from the unpleasant withdrawal symptoms that follow the denial of narcotics to an addict and all the personality problems that contributed to their addiction in the first place. They are graceless, even insulting, impatient, destructive, dirty, doomed people, snatched from addiction unwillingly and usually prepared to return to it upon their release from the hospital. . . . The patients are treated free, and no differently than they might be if they had incurred an infection in trying to save someone else's life rather than in the process of trying, in a long and tortuous passage, to end their own.

"Of course," Roger Starr writes, "it is altogether proper that they should be saved." So what is wrong? "What seems missing is the passing of judgment on the matter." We have all been trained to be "non-judgmental." But unless one is willing to pass a judgment, he argues, "one has nowhere to stand in trying to alter behavior."

It is this image that stands out after reading Starr's book. It is an

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appropriate one, not only when one considers the enormous burden on the health system, but also the burden on housing, the costs of welfare, the huge numbers who pass through the criminal justice system, indeed almost every aspect of life in the city.

AND HOW CAN THE GREAT CITY SURVIVE, even if the real estate market in the center still seems, for the moment, sound, when these enormous burdens weigh upon it? I suppose there are two kinds of people, those who see the past in the present, and those who see in the present a future very different from what has passed before. Eternal recurrence, or something new. I think there is something new afflicting New York, and we get a sense of what it is in *The Rise and Fall of New York City.*

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Med Schools: Doing Better, Feeling Worse

EZEKIEL J. EMANUEL

Kenneth Ludmerer: **Learning to Heal: The Development of American Medical Education.** *Basic Books. 346 pp. $21.95.*

MEDICAL EDUCATION, to borrow an epithet originally intended for medicine itself, is "doing better and feeling worse." Kenneth Ludmerer conveys just how well American medical schools are doing by reminding us of how poorly they *were* doing. Just one hundred years ago American medical schools were not academic centers, but businesses operated by physicians for profit. The entrance requirements were almost nonexistent, very few medical students possessed bachelor degrees, and some even lacked high school diplomas. The M.D. degree was obtained after two sixteen-week terms devoid of any laboratory or patient care experience, leading Harvard's President Eliot to note that "an American physician or surgeon may be, and often is, a coarse and uncultivated person . . . quite unable to either speak or write his mother tongue with accuracy."

In his well-written but excessively repetitious book Ludmerer details the revolutionary transformation between 1870 and 1920 that firmly established the current American medical education system. In the 1870s and 1880s universities began integrating and reforming previously loosely associated and autonomous medical schools. Harvard, Michigan, and Pennsylvania led the reform movement by introducing longer educational programs (three years with an optional fourth) and by arranging courses in a "graded sequence." Simultaneously came a shift in pedagogic techniques from lectures

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to more active student engagement through laboratory work in the basic sciences. In 1893 the Johns Hopkins Medical School opened, introducing clinical clerkships in its affiliated hospital where students became integral participants in patient care.

These curricular reforms engendered stricter entrance requirements as well as the creation of full-time medical faculty positions. For example, in 1877 Harvard Medical School began requiring students without B.A. degrees to pass an entrance examination; by 1900 the B.A. became mandatory for matriculation. In 1871 Harvard appointed the first full-time medical faculty member for research and teaching in the entire United States. By 1910 the foundations of our current system of university-based research medical schools were firmly fixed in several major centers and, more importantly, almost all medical educators, including those at weaker schools, concurred that the education at these academic medical schools was the model all should emulate. In the same year, the Carnegie Foundation for the Advancement of Teaching issued the Flexner Report, a highly critical evaluation of American medical education. That report endorsed the view of medical educators, urged medical schools to adopt the university-based research model for medical education, and demanded the elimination of those medical schools that, for financial or other reasons, could not be so improved. In the subsequent fifteen years almost all of the Flexner Report's recommendations had been implemented, thoroughly modernizing American medical education.

LUDMERER'S ACCOUNT emphasizes two important features of this educational revolution. He shows that neither the American Medical Association nor the Flexner Report, previously accorded much responsibility for these changes, actually played major roles in the conceptual creation and initial implementation of the modern medical educational system. They did influence the pace of reform, the support of reform by the public and philanthropies, and the emphasis on medical research, but they were not the progenitors of the ideas. American academics and physicians who observed or did research in the great German universities and institutes of the mid-nineteenth century provided the ideas and impetus behind the changes. Ludmerer also shows that some of the pivotal reformers were not physicians. Lead by President Eliot, a chemist by training, Harvard pioneered many of the educational reforms over the strenuous objections of Henry Jacob Bigelow and Oliver Wendell Holmes, two of the most prominent, powerful, and revered American physicians. In fact these two Harvard physicians tried, but failed, to oust Eliot as Harvard's president in order to thwart the reforms. Another prominent nonphysician reformer at that time was Flexner, who had done a bachelor's degree in classics and graduate work in philosophy.

Unfortunately, when Ludmerer moves from his rich historical account to outlining the contemporary relevance, the result is too brief and unfocused. His story leaves the reader wondering why, if

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American medical schools are turning out better-trained physicians than ever before, if "all parts of the medical profession achieved their major goals," they are "feeling worse." The American public has always wanted every innovation modern medicine can offer, while damning it for being less than perfect. But today there is more than popular dissatisfaction: Even physicians, deans, and medical educators are "feeling worse" about their schools.

American medical schools all recognize the same problems: There is too much to teach in a limited time; medical education requires too much rote memorization instead of conceptualization and critical thinking; it is difficult to keep practicing physicians abreast of the rapidly expanding body of medical knowledge; faculty research and teaching obligations conflict; there is a felt need to "humanize" medical students and physicians; clinical teaching must adapt to the imminent shift of much patient care from the hospital wards to ambulatory care settings; and, finally, there is the overproduction and maldistribution of physicians. Yet the historical record clearly demonstrates, in Ludmerer's words, "how little the complaints about medical education heard today have changed from those made by medical educators and informed citizens since the turn of the century." For example, the problem of having too much information to teach in the four years of medical school, and the need for some post-graduation educational system, were noted by many medical faculties at the turn of the century. Similarly, concerns about conflicts between faculty research and teaching, the excessive memorization of facts, and the emphasis on science to the exclusion of other elements of medical care, are not new but began with the transformation that established the current medical educational system.

So, despite sixty years of "doing better," these problems persist. Indeed, the primary cause of the malaise among medical educators is the growing realization that these problems are inherent in the system itself, that the system's successes only exacerbate them. More medical research produces more information to be taught to students, which, in turn, decreases time for considering the social, familial, and ethical aspects of medicine. And the advances in medical knowledge only multiply the strains on individual medical students and physicians; they must learn more, engage in more research, more patient care, and more educational programs simultaneously.

But the current medical education system is too successful in producing well-trained physicians, excellent research, and high-quality patient care to be abandoned in order to cure these ills. The system thrives even if the individual physicians and medical students suffer. Consequently, in the foreseeable future there will not be changes as radical as those Ludmerer recounts. Medical schools will remain university-affiliated research institutions committed to scientific medicine, where clinical teaching occurs in the facilities of

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an affiliated hospital. Any alterations will have to occur within this institutional structure. Hence the changes in pedagogic techniques, in curricular design and emphasis, and in entrance requirements can meliorate but never "cure" these problems.

Nevertheless, some modifications of the system can be made. Perhaps the most important is to recognize that any serious change in medicine and medical education must be accompanied by a change in the guiding notion of the ideal physician. The image of the physician as simultaneously a sensitive clinician, a devoted teacher, and a tireless researcher has become unrealistic and, worse, destructive. Phenomenal progress has transformed biomedical research and modern patient care into complex, technological pursuits, demanding enormous commitments of time for the competent practice of either. Physicians striving to accomplish both inevitably sacrifice and compromise too much: their thoroughness, their integrity, their nonmedical intellectual interests, their family life. But, further, this old ideal emphasizes scientific medicine and is, as Flexner lamented over sixty years ago, too positivistic, "sadly deficient in cultural and philosophic background." Medical education needs to reject this ideal as the standard for evaluation, and recognize that doctors can be primarily clinicians, or researchers, or teachers, but not all three at once.

There are several more programmatic reforms that could also improve American medical education in the near future. Medical schools can change their entrance requirements. The early medical education reformers made elementary science courses required for matriculation, eliminating the need to teach such courses in medical school. So, too, can today's educators modify entrance requirements to ensure entering students are better prepared and to trim the number of basic science courses provided in the first year. Medical schools could drop the organic chemistry requirement—a course that has virtually no bearing on learning any aspect of medicine—while introducing a rigorous biochemistry and molecular biology requirement for admission. This would relieve college students of a resented course, and free medical schools from providing elementary biochemistry instruction.

MEDICAL SCHOOLS might also eliminate many unnecessary course hours, especially laboratory exercises. The early reformers championed laboratory instruction as "learning by doing." Unfortunately most of today's labs are time-consuming ordeals with few intellectual benefits. During the preclinical years only the anatomy dissections, a few cardiac physiology experiments, and a few microbiology labs on staining techniques are instructive. Most of the other labs, especially those microscope-related labs in which excellent photographs are available, are rote, cookbook irritations, seldom instilling an appreciation of laboratory techniques or scientific research methods. Indeed, in an era when many, if not most,

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medical students engage in some laboratory research either before matriculation or in the course of medical school, these preclinical labs have lost their "learning by doing" function. It would be much more efficient and intellectually stimulating to eliminate these labs and require students without substantial research experience to perform some basic science laboratory research project before graduation, probably in the summer between the first and second years of medical school.

Medical students should have more nonhospital patient care experience. Nothing made me and my peers want to learn, think critically, and absorb information more than attending to patients. The only factors that compromise this education during clinical clerkships are heavy time pressures and the shortage of opportunities to discuss patients with attending physicians. The best way to expand this learning experience is to begin weekly clinic-based care sessions in the first year with one-on-one physician supervision, and continue it throughout the students' four years, much the way medical interns and residents follow their clinic patients. These clinics could provide important patient care experience for students in the coming years when cost containment will decrease hospital-based care.

LUDMERER NOTES that many of the educational reforms at the turn of the century prompted substantial declines in medical student matriculation. For example, at Columbia medical student enrollment dropped from 815 in 1902 to just 304 in 1908. Many educators found such declines "a source of gratification." Fewer students meant that those enrolling were more qualified, and smaller classes meant they could receive more individualized laboratory and clinical teaching. The same would be true today, especially at a time when there actually is a need for fewer physicians. Indeed, decreasing medical school enrollments could both reduce the national oversupply of physicians and provide an opportunity to decrease student-faculty ratios. The cost of such a reduction would be surprisingly small: For example, medical student tuition at Harvard contributes only about 2-3 percent of the entire medical school budget. Cutting the class by half, for example, would result in a 1 percent loss of operating revenues, less than $2 million. This seems a small price to pay for twice as much faculty teaching time for each student.

Probably Abraham Flexner's most enduring influence on American medical schools was to enshrine research as their dominant concern. Through his report and his vast fundraising efforts, Flexner induced medical "schools to hire full-time faculty members [in both basic sciences and clinical departments] and engage in research. The tension at medical schools between teaching and research was now well on its way toward being resolved in favor of research." Today this legacy is manifested at major medical schools, where a school's reputation and ability to raise funds depend on its research

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results. As a consequence many schools allocate less than 10 percent of their budgets to teaching medical students and attach the faculty incentives—peer recognition and academic promotion—to research and not teaching. Nevertheless some notable exceptions have arisen, including Case Western Reserve's much emulated 1952 curricular reforms that organized instruction by bodily systems (such as the cardiovascular system) and Harvard's current attempts to reduce drastically lectures, to introduce computer management of information, and to organize instruction through interdisciplinary topic modules (for example, information processing).

These cases demonstrate that major improvements in curricular design and teaching can be achieved without significant diminution in research productivity, when medical education is accorded importance through both institutional recognition and funding. Such commitments to teaching are concentrated reforms that, unfortunately, tend to wane as the attention of medical school faculties returns to their regular research activities. Only strong institutional support for teaching can induce a genuine faculty commitment to prepare classroom lectures, to engage in question and answer sessions, to provide personal instruction in clinical settings, and to devise innovative courses. Without such institutional support, research will continue "to militate against the education of medical students," leaving teaching to the unrewarded efforts of individual physicians.

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What Deregulation Means

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Martha Derthick and Paul Quirk: **The Politics of Deregulation.** *Brookings Institution. 265 pp. $10.95.*

Thomas K. McGraw: **Prophets of Regulation.** *Harvard University Press. 416 pp. $20.00.*

FEW AREAS OF PUBLIC POLICY have received as much scholarly attention as regulation. For years economists and political scientists, historians and lawyers have dissected the origins, procedures, consequences, and, above all, inadequacies of public regulation of business firms. It is thus remarkable that two recent additions to this immense literature should add so much to our understanding of the subject. Martha Derthick and Paul Quirk offer a sophisticated

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yet clear and concise analysis of one of the most important developments of the past decade—the deregulation of the airline, trucking, and telecommunications industries. Thomas McGraw reviews more than one hundred years of regulatory history in his assessment of the policy contributions of Charles Frances Adams, Louis Brandeis, James Landis, and Alfred Kahn. At first glance it would appear that the only overlap between these two books is their discussion of Kahn, a key player in the deregulation drama and one of McGraw's four "prophets." Closer examination, though, reveals a more significant agreement: the pivotal role attributed to both economic theories and political entrepreneurs in the development of regulatory policies. Read together, these books open up avenues of analysis of regulatory policy extending beyond the "economic theory of regulation," which, despite its obvious inadequacies, still dominates the field.

THE DEREGULATION of airlines, trucking, telecommunications, banking, and railroads has been an economic and policy event of moderate importance, but a political event of major significance. As veterans of introductory political science courses know, organized interests (business firms and labor unions) receive valuable benefits from economic regulation while imposing the costs on widely dispersed, unorganized consumers. "Iron triangles" survive because these organized interests and their allies within agencies and Congress have far more at stake and possess more political resources than does the general public. But in the industries examined by Derthick and Quirk, surprising things happened: "Some of the most politically potent of American industries [including AT&T], in collaboration with organized labor [especially the Teamsters] fought as hard as they could to protect their interest—and lost." And instead of opposing reform, independent regulatory commissions *initiated* it—and Congress *extended* it.

To explain the success of deregulation Derthick and Quirk first describe the evolution of the deregulation idea from analytical prescription to political symbol to policy fashion. The ideas of economists were heard by political actors not just because the profession was unanimous in its condemnation of traditional regulation (a virtually unprecedented occurrence), but also because the growing importance of organizations dominated by economists—the Council of Economic Advisors, the Council on Wage and Price Stability, the Office of Management and Budget, policy analysis units within administrative agencies—provided them with institutional soapboxes. Just as important was the fact that the economists' solution, eliminating governmentally established barriers to entry and to price competition, meshed with the political agendas of a variety of groups. Conservatives wanted to show they could do something to get government "off the back and out of the pocket" of citizens and businesses. Liberals, too, were looking for ways to demonstrate that

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they opposed "big government"—at least when it allied itself with big business. "Consumer advocates" were looking for exploitable issues, and nearly everyone was looking for ways to lower prices during a period of double-digit inflation. Deregulation, in short, was the result of a rare convergence of expert analysis, widespread public unrest over rising prices and taxes, and several usually divergent political ideologies.

YET THIS ONLY ASSURED that deregulation would become a political fad, comparable, perhaps, to "infrastructure reform" and "educational excellence." The next step in Derthick and Quirk's narrative is explaining the unexpected support deregulation received within the regulatory commissions and Congress. The CAB, ICC, and the FCC worked just as the textbooks say they should: Presidents appointed commission members who favored deregulation, and these political appointees exercised substantial control over policy making within the commissions. Partial, administratively imposed deregulation threw industry into disarray, and made it impossible for congressional minorities to protect the status quo. The commissions were capable of innovation because a few commissioners were more interested in "get[ting] a chance to change things significantly" (as one commission member put it), than entering the revolving door. Love of honor and fame proved stronger than love of financial security. Moreover, recognizing the hollowness of their agencies' missions, some careerists within the bureaucracy joined the attack on regulation.

Equally important was the fact within Congress that party and committee leaders "almost without exception supported reform." Public visibility gave leaders an opportunity to appeal to dispersed constituencies and to increase their prestige within the Washington community. Visibility also made it politically hazardous to appear to "cave in" to the special interests. Even Senator Howard Cannon, chairman of the Senate Commerce Committee and a man considered corruptible by those experts on corruption, the Teamsters, became an important sponsor of airline and trucking deregulation. This analysis of the special pressures and opportunities of leadership provides a much-needed corrective to theories of Congress that emphasize "trafficking in particularized benefits," as well as support for Madison's claim that the system of representation established by the Constitution enhances the influence of those "whose enlightened view and virtuous sentiment render them superior to local prejudices and to schemes of injustice."

A DIFFICULTY with *The Politics of Deregulation* is that one is left wondering which causes were the most significant. Were all necessary? Were any sufficient by themselves? Recognizing this problem, Derthick and Quirk add a chapter on unsuccessful attempts to deregulate. Among their conclusions are that when deregulation

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threatens to raise prices to the consumer (as with natural gas) or when the cost of regulation falls on taxpayers rather than on consumers (as with the Davis-Bacon Act), liberal Democrats desert deregulation and the reform coalition collapses; that when regulation promises to provide health, safety, or environmental benefits (as does most regulation today), the call for deregulation has little force; and that when certain producers are deemed especially "deserving" (as are dairy farmers), government-sponsored cartels are highly resistant to the criticisms of economists.

Derthick and Quirk focus most of their attention on why economists' recommendations proved politically appealing. But implicit in their discussion of failed reforms is an indication of the gulf that usually separates economic analysis and political discourse. Economists are primarily interested in efficiency, and tend to remain agnostic on distributional issues. Politicians, in contrast, are primarily interested in distributional issues, and care about efficiency only when it increases the size of the pie to be distributed. Unlike economists, politicians develop ideas about which sets of recipients are "deserving" and which are not. In the case of airlines, trucking, and telecommunications, economists were able to predict substantial gains for the average consumer, shippers, risk-taking entrepreneurs, and even small communities. They predicted losses only for airline pilots, the Teamsters, and established firms averse to risk—a coalition whose support melted under the heat of the public spotlight. The question raised but not fully answered by the analysis of Derthick and Quirk is, how do some groups retain public respectability while others do not?

MCGRAW'S BOOK provides perspective on this issue by showing how accepted and respected ideas about regulation have changed over the past century. McGraw uses his four "prophets" to shed light on the several waves of regulatory activity that have swept over American government. He does not view the four simply as representative figures; rather, he is fascinated with how these men developed theories of market failure and how they used their considerable political skills to convert theory into practice. In doing so, McGraw calls upon the latest research on the history of the American economy, especially the work of Alfred Chandler on the development of large "center" firms from 1880 to 1920. McGraw seeks, in effect, to reinterpret the debates over regulation in light of findings about the inevitable domination and economic efficiency of a small number of vertically integrated "center" firms in such industries as railroads, petroleum, rubber, chemicals, and food products.

About halfway through it becomes clear that this is a book with three heroes (Adams, Landis, and Kahn) and one villain (Brandeis). Adams is praised for recognizing the massive economies of scale in the railroad industry; for abandoning his early muckraking role for that of mediator and technocrat; and above all for steering his Massachusetts Board of Railroad Commissioners away from the judicial

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process and from the swamp of rate setting. Landis earned his place among the regulatory saints by developing a clear understanding of the structure and peculiarities of the securities industry; by paying close attention to how regulatory statutes can be enforced; and by skillfully structuring the incentives of private groups to serve the public interest. Kahn is lauded not just as a master economist who relentlessly applied the principle of marginal cost to regulatory issues, but also as a leader who educated his subordinates and built broad coalitions in support of regulatory reform. The chapter on Kahn is a wonderful study of how an intelligent man with a flair for the dramatic can make sensible policy—provided, as Kahn himself pointed out, that he arrives on the scene "at precisely the perfect time."

THIS LEAVES BRANDEIS, the unlikely villain. McGraw is disturbed by Brandeis's habit of substituting Perry Mason-like litigational surprises for hard-headed economic analysis, and by his inattention to the differences between agencies and courts. More important, though, is McGraw's claim that "Brandeis offered regulatory solutions grounded on a set of economic assumptions that were fundamentally wrong." Brandeis failed to recognize the efficiency of bigness in some industries, viewing the "trusts" as unnatural combinations and fitting targets of antitrust action. Conversely he advocated government-sponsored price fixing by small businessmen, which he thought was necessary to protect the little guy from "the curse of bigness." According to McGraw, both strategies—breaking up large "center" firms and condoning price fixing by small "peripheral" firms—promoted inefficiency. But if, as McGraw concedes, "these long-term economic effects were difficult to foresee," why should Brandeis come in for such harsh treatment?

The heart of McGraw's attack on Brandeis is not so much that he favored policies that failed to maximize benefits to the consumer, but rather that Brandeis cared so little about efficiency and consumer welfare. As McGraw shows, Brandeis's "attitude toward consumers . . . bordered on contempt." Brandeis "drifted imperceptibly into an attack on consumer preference, a principle that lies at the very core of a market economy." Although he tried to defend them with economic arguments, Brandeis's antitrust objectives were more political than economic. Large center firms, efficient or not, threatened democracy and individual liberty. Small peripheral firms, in contrast, represented diversity, individualism, and personal autonomy. McGraw contends that Brandeis knew (or should have known) that his economic arguments and his political objectives actually pointed in opposite directions. He attributes the Federal Trade Commission's decades-long fumbling over antitrust policy to this intellectual confusion.

The major blind spot in McGraw's otherwise excellent work is his failure to accept any principle other than economic efficiency as a guide for regulatory action. This is a common view, and one with

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important political ramifications. If efficiency is the only legitimate rationale for government intervention in the market, then all deviation from this principle (which is to say, almost all regulation) is the result of either stupidity, or more likely, venality. Thus we are frequently told that behind regulation lie power-hungry bureaucrats, media-crazed congressmen, and devilishly clever businessmen who have figured out how to win when they appear to be losing.

But one will have a hard time explaining regulatory politics if one does not admit that most politicians are inevitably and legitimately interested in *public* goals other than economic efficiency. Just as Brandeis sought to promote and protect small producers and retailers, so modern-day consumer advocates have sought to promote and protect certain types of consumers—risk-averse, health-conscious, nonsmoking consumers who have enough money to buy Volvos and enough education to read warranties—at the expense of others who prefer the thrill of impetuous acquisition to the agony of reading *Consumer Reports*. Similarly, behind the environmental movement lies the belief that those who value collective benefits more than individual ones, who are willing and able to hike up Pike's Peak rather than drive there, are virtuous citizens deserving government's active support. Such claims about the public interest are the cement that holds together the broad coalitions necessary for initiating governmental action in the United States. *The Politics of Deregulation* and *Prophets of Regulation* both show the connection between changing conceptions of the public interest and the coalition-building practices of political entrepreneurs. By following their lead and paying more attention to the understanding of the public interest (and concommitant conceptions of desirable human qualities) behind our regulatory policies, we will develop a more revealing picture of the American regime.

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Immigration Controls: The Unpleasant Choices

JAMES FALLOWS

Nathan Glazer, ed.: **Clamor at the Gates: The New American Immigration.** *Institute for Contemporary Studies. 337 pp. $25.95 cloth, $10.95 paper.*

David M. Reimers: **Still the Golden Door: The Third World Comes to America.** *Columbia University Press. 352 pp. $25.00.*

THE SAME FEATURES that make immigration impossible as a legislative issue increase its intellectual allure. The arguments over its effects pit one fundamental view of economics against another. They force the children and grandchildren of immigrants to consider whether the open policy which allowed their forebears entry has now been overtaken by events. They raise issues that a big, diverse democracy finds awkward to discuss, such as whether racial and religious "balance" should have any weight in public affairs. This tangle of concerns, rational and visceral, helps explain why America's earlier immigration policy looks unenlightened in retrospect. It also explains why since 1982 Congress has been bogged down in its efforts to change laws that nearly everyone considers defective.

The fourteen essays Nathan Glazer has collected in *Clamor at the Gates* provide a vivid sense of the complexity and richness of the subject and the difficulty of the choices to be made. The essays are in four sections, examining the legislative politics of immigration, its economic effects, its cultural impact, and its legal and even spiritual implications. In most cases, the essays complement each other, but in the economics section Glazer presents an illuminating intramural debate.

The disagreement is not over factual details but over basic conceptions of how an economy grows. The most pessimistic economic essay, by Cornell labor specialist Vernon Briggs, argues not only that illegal immigrants undercut the wages for low-skilled Americans, but that *legal* immigration has similarly reduced labor's share of the national income. Immigration should be considered primarily a labor-market issue, Briggs says: By increasing the supply of labor it depresses the price, especially for low-skill jobs. Even worse, from Briggs's viewpoint, immigration provides an unpredictable, unregulated supply. It will be hard enough, he says, to create new jobs for all the women who want to enter the work force and aspiring members of the underclass, without simultaneously trying to employ workers from someplace else. Briggs says that the United States made a big mistake when it transferred the Immigration and Naturalization Service from the Department of Labor to the Department of Justice in 1940, since the only sane way to regulate immigration is to reinstate labor considerations as the main criterion. Only then

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can we be sure that the supply of human beings provided by immigration matches the "macro human resource needs of the economy."

In advancing this case, Briggs makes one good statistical point. Nearly everyone who favors enlarged immigration cites a study by Barry Chiswick that claimed that the earnings of immigrants typically *exceed* those of native-born Americans by the immigrants' twentieth year in the United States. But Chiswick's study, as Briggs points out, was of foreign-born people counted in the 1970 Census —a group that had only begun to reflect the sweeping changes made by the Immigration Act of 1965. On the other hand, in his eagerness to demonstrate the menace immigration poses, Briggs credulously passes along some of the highest and most debatable estimates about the dimensions of the flow. For example: "It is probable that more foreign-born people came to the United States for permanent settlement [in 1980] than in any previous year in the nation's history." Legal entries that year, temporarily inflated by refugees from Indochina, Cuba, and Haiti, exceeded 800,000; by 1984 they had declined to 543,000. By contrast, legal admissions were 1.2 million in 1907 and routinely exceeded a million a year at the turn of the century. Perhaps illegal immigration made 1980 a record-setting year, but by most estimates this is hardly "probable."

THE MAIN CONTRAST between Briggs's essay and those by Thomas Muller and Ivan Light is the degree of dynamism they attribute to immigrants. To Briggs, immigrants are extra bodies that keep the labor market from clearing; to the others, immigrants are unusual people whose behavior alters other economic variables. Muller, of the Urban Institute, has conducted a long study of immigration's impact on Southern California, which has absorbed more immigrants since 1970 than any other part of the country. (California contains one-tenth of the nation's people, but one-third of its immigrants.) In his essay, as in his recent book *The Fourth Wave*, Muller argues that immigration has helped more Americans than it has hurt. Without claiming clear proof of cause and effect, he points out that California's unemployment went from above the national average in 1970 to below it in the early 1980s—precisely the period when immigrants were arriving in larger numbers. This is not the pattern that a static labor-market model would predict. The main losers from immigration, Muller says, were unskilled workers in the rest of the country who otherwise would have moved to California, or California's unskilled who themselves moved away.

Ivan Light's study of the Korean entrepreneurs of Los Angeles stresses their unusual economic behavior even more strongly. Light found that, in Los Angeles County as a whole, 7.6 percent of all household heads were self-employed. Among Korean immigrants, 40 percent were—and their small businesses employed another 40 percent, to account for a total of 80 percent of all Korean-Americans in the area. Not all of this success can be attributed to

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raw immigrant zeal, Light says; the Koreans often bring capital with them, and they generally start with an educational edge over the average American. He also points out that, in their eagerness to make their fruit stand or furniture store prosper, the Korean small businessmen happily cut corners on health regulations and labor standards, making their entrepreneurial zeal a mixed blessing. Still, Light argues that the Koreans are typical of several other immigrant groups in their business abilities and their contributions to economic growth.

THE REST OF THE BOOK presents a more consistent message, and generally a positive one. After the Immigration Act of 1965, which ended the "national origins" system of the previous forty years, the legal flow has changed from overwhelmingly European to mainly Asian and Latin American. (Each group now accounts for about 40 percent of legal entries.) Peter Rose claims that the Asian immigrants' reputation as "model minorities" is largely deserved, in view of their educational and technical achievements, but that the younger Asian-Americans may be getting tired of studying so hard and being expected to excel. Considering that America's first major immigration law was the Chinese Exclusion Act of 1882 and that virtually no Asians were admitted between 1924 and 1965, Rose says that the esteem Asians now enjoy is remarkable.

Two essays on Mexican-Americans and Mexican immigrants, by Rodolpho de la Garza and Peter Skerry, explain the tangled emotions with which those already here view the newly arrived. Illegal immigrants from Mexico probably compete more directly with Mexican-Americans than with any other group; still, according to de la Garza's poll results, Mexican-Americans view immigration reform as a relatively unimportant issue, far behind such concerns as education, the environment, or crime. Skerry points out that Mexican-Americans have been less driven to leave the *barrio* than other groups have been to leave their respective ghettos, and that, unlike American blacks, Mexican-Americans have not viewed the schools as the main hope for mobility. Closer to their homeland than any other major immigrant group, they are undergoing a more wrenching version of the classic immigrant conflict between preserving ethnic tradition and entering the wider world. The forces of assimilation may not work as swiftly among them as among the totally uprooted Vietnamese, but these essays suggest that Americanization will eventually take place.

Nathan Glazer's essay on education also indicates that assimilation steadily grinds on. During the hubbub over bilingual education in the 1970s, "Jews, Italians, Poles, and Germans no longer recalled that their parents and grandparents once had problems in attending or sending their children into English-language public schools." Glazer concludes that traditional teaching methods are most effective, but he makes a useful distinction between questions of principle

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—everyone should learn English and the other tools of citizenship—and those of implementation, in which the best techniques of instruction may vary from place to place and time to time.

The rest of the book concerns the law and politics of immigration: Lawrence Fuchs, who was executive director of the Select Committee on Immigration, explains how the Simpson-Mazzoli bill evolved from the Select Committee's findings; Harris N. Miller, a former assistant to Rep. Romano Mazzoli, offers a nuts-and-bolts account of why the bill failed; and Edwin Harwood, of the Hoover Institution, takes market reasoning to a bizarre extreme with his plan for immigration control through user fees. (Ambitious young Mexicans would pay the United States a fee, "competitive with what smugglers [now] charge," for the right to enter as guestworkers. "The funds generated could be used to strengthen INS border and interior enforcement at no added cost to the American taxpayers.") Michael Teitelbaum warns that mass expulsions, like those from Vietnam and Cuba in 1980, may recur, and Nathan Glazer points out that economic growth overseas will not necessarily reduce the pressure to emigrate: "Note that South Korea and Taiwan and Hong Kong, despite their incredible economic growth, provide large numbers of immigrants." Finally, Peter Schuck, of the Yale Law School, examines the legal theories under which anyone who winds up on U.S. soil, legally or not, has become entitled to nearly all the rights of citizenship. The result, he argues, has been to weaken the social cement of citizenship that is so important in the United States, which lacks the ethnic ties that make the Germans German.

DAVID REIMERS'S *Still the Golden Door* is more straightforward, systematic, and dull. It is a dutiful history of immigration policy that has one drawback and one countervailing strength. Its major problem is conceptual. From the title onwards, Reimers continually refers to the "Third World" as if this term unifies his discussion, without ever defining just what it means. In fact, his subject is not the whole Third World—Africa does not even appear in his index—but two quite dissimilar regions (Latin America and Asia) whose emigrants differ in almost every significant respect. Immigrants from Asia, for example, are typically better-educated than native-born Americans; Latin Americans are not. Mexicans can go home easily; Vietnamese cannot.

The book's redeeming virtue is its solid, comprehensive description of the economic, demographic, and legal forces that have shaped Latin American and Asian immigration. Reimers explains why the 1965 amendments, generally hailed as a victory for color blindness, also represented an enormous victory for organized labor. (The Johnson administration had wanted to grant half of all visas to "independent" immigrants with special occupational skills. At the insistence of Rep. Edward Feighan of Ohio, the law ended up reserving 74 percent of visas for the relatives of American citizens or

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of resident aliens, and only 20 percent for independent applicants.) He offers valuable analyses of the long history of Asian exclusion, the lasting effects of the *bracero* guestworker program, and the difficulties of coping with illegal immigration today.

Although not otherwise a neoconservative work, *Still the Golden Door* dwells on one "unintended consequence" of the 1965 act. While the new law made a gesture of opening America's gates not just to Europeans but to the whole world, according to Reimers *no one thought Asians would come*. In defending the act at a congressional hearing in 1964, Robert Kennedy, then the attorney general, estimated that "5,000 immigrants would come [from Asia] in the first year, but we do not expect that there would be any great influx after that." Of course, by 1984 the U.S. was receiving not 5,000 Asian immigrants but 43,000 from the Philippines alone, along with 37,000 from Vietnam, 33,000 from Korea, and enough from other countries to bring the Asian total well above 200,000. The major reason for this surprise, as Reimers convincingly explains, is that Asian immigrants quickly figured out how to use the law's family-reunification provisions to bring in their brothers-in-law and aunts.

LIKE MOST OF THE AUTHORS in *Clamor at the Gates*, Reimers ends up urging that the United States find some way to make deliberate, rational choices about whom it will admit, rather than leaving the decision to demographic trends in Mexico and enterprising document forgers around the world. In a way, the desire to impose more rational controls on immigration undercuts the implied economic message of both books. All the authors except Briggs suggest that the random and self-selected character of today's immigrants may have something to do with their economic vigor. Those suggestions, in turn, raise a discomforting question: Would not any effort to rationalize immigration reduce the traits that, historically across many cultures, have made immigrants so successful? The idea looks ugly when put in that stark Darwinian form, but I suspect that a more polite variant of the same thought—"Anyone who makes it under current laws has to be pretty tough"—lies behind the widespread political reluctance to grapple with immigration. Moreover, rationalizing immigration laws has a consequence that is even more distasteful. Most of the world lives in poverty and oppression, and more of its citizens would like to cross our borders than we will ever admit. In choosing to accept some, we inescapably push others to the back of the queue and consign them to misery, closed horizons, even death. No one wants to face that decision forthrightly. It is far easier, in the short run, to leave the patchwork of laws unchanged, and then deal with emergencies as they arise.

Despite all the practical reasons not to grapple with immigration laws, these two books make a powerful case for returning to this painful subject, and soon. As Glazer says in his introduction to *Clamor at the Gates*, "The country will not, I believe, allow the

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major lines of immigration policy to be set indefinitely by the individual decisions of the millions who would like to become part of the United States, or by the actions of nations, whether formally hostile or friendly, who drive out their own people or tolerate or create conditions that drive them to emigration. We will want to determine immigration policy on the basis of our own interests. But what are those interests?" Determining broad American interests is a task beyond either of these books, but they do help us begin to think about our real interests in immigration.

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After Judicial Restraint

TERENCE J. PELL

Ronald Dworkin: **A Matter of Principle.** *Harvard University Press. 480 pp. $25.00.*

Laurence H. Tribe: **Constitutional Choices.** *Harvard University Press. 480 pp. $29.95.*

Richard A. Posner: **The Federal Courts: Crisis and Reform.** *Harvard University Press. 384 pp. $25.00.*

RONALD DWORKIN warns his readers that "the man now president may appoint enough Supreme Court Justices to set the character of that commanding institution for a decade." That dawning realization has occasioned a spate of recent pronouncements by legal scholars. The point made by many seems to be that President Reagan's appeal to judicial restraint is only a smokescreen for the right-wing agenda. A "Reagan Court," these thinkers caution, would use the rhetoric of judicial restraint to further its own goals, such as prohibiting abortion, permitting school prayer, enforcing free-market rights, and so forth. These same scholars, of course, have long admired the "living" Constitution for its malleable power to support popular causes. Now we are told, however, that judicial restraint, long thought to be empty and formalistic, is really ideological and unprincipled, no matter how popular it may be.

As might be expected, then, these three books, all published within the last year, try to get constitutional law back onto neutral ground. They attempt to do so generally by transforming principles of constitutional law into issues of philosophic inquiry. For these authors, the criterion of a "good" judicial decision is its value as a statement of moral or social scientific truth. Once constitutional law is understood principally as an exercise in theory, then judicial

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restraint has no more claim to be the favorite mode of thought than does judicial activism: The legitimacy of each depends only on the ideological bunker from which it is tossed.

DWORKIN'S *A Matter of Principle* and Tribe's *Constitutional Choices* are both collections of essays, all of which have been published elsewhere. Both books share a single concern: Should the Court go beyond the Constitution and base its decisions on one or more theories of political morality? Both say the answer is yes. Yet both struggle to make sure that the theory of "political morality" in question rests well within boundaries defined less by politics and morality than by familiar leftish orthodoxies.

For Dworkin, the crisis confronting the judiciary is a philosophic one, and the solution is for judges to become philosophers. The rule of law, Dworkin tells us, requires that a judge decide particular cases in such a way as to create "a coherent and uncompromised vision of fairness and justice." Central to Dworkin's conception of the role of the philosopher-judge is his by now well-known distinction between principle and policy, a distinction that, he tells us, "defines the interplay between practical problems and philosophic theory." Put crudely, Dworkin's view is that a judge has an obligation to decide cases on the basis of political morality when the case involves an individual's right; but when the issue at hand concerns only a community-wide goal, the judge must defer to legislative authority. Dworkin informs us that "legal analysis, in this broad sense, is more concrete than classical philosophy, more principled than political craft. It provides the right theater for philosophy of government."

If law is a type of theater, Dworkin's essays are intended chiefly as plausible scripts. They do not refine the distinction between a principle and a policy. Rather, they proceed by way of example. Thus, in his essay on reverse discrimination he tells us that although there is no right to affirmative action, no right can be found to conflict with it either. Each instance of affirmative action must be judged on its own, by "weighing its practical costs and benefits." By the same token, the principles of freedom of sexual choice and moral independence preclude censorship of pornography, even if certain such choices do not make the community better in the long run.

HAVING DISCOVERED that the judicial enterprise is to be conducted as a series of moral symposia, Dworkin next claims that a philosopher-judge will inexorably apply only those moral principles as might be comfortably located within a liberal conception of the welfare state. This is neither coincidence nor, it seems, an embarrassment. It is no coincidence, because Dworkin tells us it is not: "The obligation to show the political character of the decision as a decision about individual rights . . . must act as a general liberal influence."

That Dworkin's theory generates only liberal results turns out,

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moreover, to be its primary justification. *A Matter of Principle* illustrates Dworkin's well-known, albeit watered-down, version of the method of moral theorizing of John Rawls. In his earlier work, *Taking Rights Seriously*, Dworkin explained that a judge may properly rely only on those principles of political morality that are in "reflective equilibrium" with considered moral intuitions. Dworkin's latest book may be read as a series of illustrations of "reflective equilibrium." Each essay attempts to demonstrate how the use of political morality is not only consistent with our intuitions about how a democracy is supposed to work, but consistent too with the results that Dworkin and others hope a democracy will generate: free sexual choice, free expression, affirmative action, state support of the arts, and so forth. Thus, because the use of political morality is in "reflective equilibrium" with Dworkin's considered intuitions, it is justified as a method of judicial decision making.

A Matter of Principle does not significantly advance the argument put forward in Dworkin's earlier work, but it does confirm Dworkin's characteristic inability to distinguish between method and result. For Dworkin, it seems, a method of legal justification is itself justified if it produces characteristically liberal results. This view of justification, of course, completely obscures the nature and end of legal "rationality." If nothing else, legal reasoning must proceed on the assumption that there is a distinction, and an important one, between a moral ideal (however arrived at), and an actual law. What is so troubling about Dworkin is that he only pretends to preserve the distinction in the guise of such conceptual contraptions as "reflective equilibrium." In fact, he disregards the distinction altogether.

HARVARD law professor Laurence H. Tribe's *Constitutional Choices* rejects at the outset any attempt to provide a method or theory of adjudication—attempts that Tribe describes as the "antithesis of humane struggle with those commitments and visions that are the stuff of genuine constitutionalism." Like Dworkin's, Tribe's book adopts the method of argumentation *cum* illustration, but his style is even more ephemeral. "This book is about our making of constitutional choices," Tribe says. Yet, "it does not offer a theory of choice . . . it is an experiment in choosing."

Constitutional Choices begins with four short chapters on the legitimacy of the judicial enterprise—in the words of one of their titles, "The Futile Search for Legitimacy." In Tribe's view, constitutional theory necessarily consists of the following either/or: *either* constitutional decisions reflect an "external . . . eternal, impersonal and inexorable . . .'will of the law,'" *or* constitutional decisions must be nothing more than the "whimsical . . . personal and unconstrained 'will of the judges.'"

Thus, Tribe rejects the very possibility of providing criteria by which a good judge could make constitutional choices. He goes on

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to say, however, that he does not "mean to play the cynic or the legal nihilist." Thus does he address himself to his left-wing colleagues of the "critical legal realist" school: "I am . . . not writing for those who have convinced themselves that 'anything goes' as long as it helps end what they see as injustice. . . ."

HAVING TOLD US what constitutional adjudication is not, he can only offer us the barest hint of what it is—and what it is depends, it seems, upon a "repeated act of faith" that "constitutional interpretation is a practice alive with choice but laden with content; and that this practice has both boundaries and moral significance not wholly reducible to, although never independent of, the ends for which it is deployed." Hardly a clarification—but, of course, it is not meant to be. For Tribe thinks that the attempt to ground constitutional interpretation upon some form of legitimating theory is futile: "There is no escape from the need to make commitments to significant premises," he tells us. Again, one wants to object that one point of such theories is to show us the "significant premises" upon which constitutional adjudication *does* rely, and to say something about the legitimacy of those premises.

The remaining two sections of *Constitutional Choices*, which focus on the separation of powers and substantive constitutional rights, are supposed to illumine the choices actually involved in making constitutional law by describing the choices Tribe himself has made. However, Tribe's failure to delineate his standards of judgment renders nearly incoherent much of the substantive discussion of the book.

Like Dworkin, Tribe advances his convictions largely by trivializing the alternatives. Like Dworkin, too, Tribe realizes that moral and political attitudes play decisive roles in debate about constitutional first principles. But instead of being liberated by that insight, Tribe is very nearly paralyzed by it. His answer to the problem that "*all* social description and observation are bound up in the describer's point of view" is to understand and expose his own viewpoints and values "as starkly . . . as possible." Unfortunately, in this case such stark exposure obscures rather than reveals truth.

RICHARD A. POSNER'S *The Federal Courts* offers refreshing practicality after the abstractions of Dworkin and Tribe. Posner, a U.S. Appeals Court judge for the Seventh Circuit, devotes his book almost exclusively to the most concrete manifestation of the judicial "crisis": the burgeoning caseload at the appellate level. The first portion of the book offers statistical data establishing the dimensions of the problem, and Posner finds that appellate court cases have increased by 686 percent since 1960.

As might be expected of the chief representative of the Chicago "law and economics" school of legal analysis, Posner organizes his data according to the principles of an economic model. This analy-

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sis treats judicial services as a product "whose output, like that of other products, is governed by the laws of supply and demand." Posner attributes the explosive demand for the services of the federal judiciary to two factors: The price of the product has fallen, and the value of the product to the consumer has risen. The price has fallen because of inflation's effect on the minimum dollar amount in dispute needed to litigate a case in federal court; and the value of federal court jurisdiction has increased because of the expansion of the number and scope of federal rights.

The remainder of the book consists of a "general reconsideration of the federal judicial process." By applying his model of economic analysis, Posner concludes that federal jurisdiction should be limited to those cases involving either cost-benefit "externalities" or areas of "especially complex federal law." Posner would also limit the Court's Fourteenth Amendment power to invalidate state laws to only those cases where a state law violates a "fundamental social norm held by most of the nation." He proposes to have the Supreme Court analyze the state statutes of all fifty states in order to determine which social norms are part of such a national consensus. To the possibility that twenty-six states might someday adopt the Islamic code of criminal justice, Posner simply asks, "who are the judges to try to stop such revolutions?"

POSNER ESTIMATES that the redistribution of the federal caseload according to his principles would result in state courts receiving 20 percent of the cases now before the federal district courts, and 21 percent of the cases now before courts of appeal—a reassignment that, unfortunately, "would only postpone the ultimate crisis a few years." Accordingly, Posner turns his attention to judicial "self-restraint" as a "natural prescription for a court system suffering from acute overload." Posner's conception of "restraint," though, is disappointingly superficial: It means merely the "judge's trying to limit his court's power over other government institutions." As his definition suggests, Posner rejects the idea that there are principles at stake in the debate over "activism" and "restraint." In fact, he believes that the debate is scarcely over principles at all: Both "activism" and "restraint," in his usage, are appropriate at different times and places, depending upon the substantive policies of the other branches of government.

Posner's analysis of so-called "hard cases"—those in which prior law does not unambiguously determine a clear outcome—is eerily similar to Dworkin's: A judge may use any principle "if and only if the ground of decision can be stated truthfully in a form the judge could publicly avow without inviting virtual universal condemnation by professional opinion." In other words, "the 'unprincipled'. . . are simply those grounds that at the particular historical moment are so generally rejected that they would never be announced as the true grounds of decision." To his credit, Posner notes that on his theory of decision making "'principled' is only a tepid compliment."

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Posner's discussion illustrates the general problem of attempting to graft cost-benefit analysis, or any other type of functionalist analysis, onto legal decision making. Posner inevitably assumes the validity of one or two very general criteria of judicial decision making that, unfortunately, he does not elucidate. For example, he attaches great importance to the "quality" of a judicial decision and argues that the "quality" will be improved if the federal caseload is reduced. It is hard to dispute the importance of such a general goal, and it is easy to agree with Posner that a reduced federal caseload might in general improve the "quality" of federal decisions. But just when we need to know exactly what he means by a "quality" decision, Posner's argument proves surprisingly empty. For example, he tells us that a judge should not apply his own principles of political morality (in Posner's own case, the principles of cost-benefit analysis) to decide a case before him unless and until "the springs of authoritative guidance run dry." Well enough—but precisely what is contested in hard cases is just whether the "springs" have run "dry." Moreover, Posner's suggestion, that a judge use any principle that can be applied consistently without fear of public disapprobation, is just as empty. Where Dworkin and Tribe obscure the problem of judicial legitimacy with the rhetoric of moral theorizing, Posner substitutes the false precision of cost-benefit analysis. As with Dworkin and Tribe, the result of Posner's analysis is a very unprincipled form of decision making, where the ultimate values, though neutral and "value free," provide no constraint on judicial power.

AT THEIR ROOT, these books share the conviction that judicial restraint is no more a question of social policy than, say, controlling inflation or regulating toxic waste dumps. In Dworkin and Tribe's view, the principle of judicial restraint is a smokescreen for right-wing objectives, so they try to show that judicial restraint could never serve as a doctrine of constitutional interpretation. Dworkin thinks it is a bad doctrine; Tribe thinks all doctrines are bad. Posner thinks the concept empty, obscuring as it does principles of institutional cost and benefit. Posner understands judicial restraint to reflect only the momentary distribution of power between competing political institutions.

These self-appointed guardians of the Constitution effectively trivialize the principle of judicial restraint by denying that it has anything at all to do with principle. For if judicial restraint is just one more policy preference to be tossed around with the rest, it is all too easy to ignore. If a judge can identify a policy that is more important than judicial restraint, he will inevitably discard restraint in favor of that policy. Can it ever be said that attention to mere judicial formality is more important than some goal or end to be achieved? It is not surprising that these authors conclude that judicial restraint is secondary to redressing discrimination, protecting the right to an abortion, and even reducing the federal caseload.

It is in the nature of a democracy to be deeply skeptical of legal

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principles, which are viewed as "mere" formalities to be discarded if they stand in the way of the "people" achieving a more immediate objective. In appearance, at least, contemporary constitutional scholarship stands well within the tradition of common-sense skepticism. Legal scholars replace a concern for the manner in which a judicial decision is formally justified with an investigation into the end to be achieved, whether that be the securing of philosophical truth or the readjustment of institutional workloads.

At its foundation, however, this approach to constitutional law is as uninformed by an understanding of populist skepticism as it is unmotivated by an understanding of the Constitution. For all of their sensitivity to historical and political context, none of these thinkers seems aware of the peculiar nature of his own anxiety over legal formality. The argument proceeding from the variety of laws to the conclusion that law is mere convention is as old as philosophy itself. Only among constitutional scholars, however, does this conclusion proceed less from discomfort with the conventional or formal aspect of law than from a thoroughgoing anxiety about the possibility of principled argument *per se*. In their view, no meaningful debate of fundamental issues is possible; the principles advanced by both sides are either ideological or empty. Directed not against legal principles, nor even against particular arguments about such principles, the contemporary critique of constitutionalism seems rather to be a critique of principled thought as such.

As these books make clear, however, such a thoroughgoing critique can barely achieve internal coherence, let alone support a legal system based upon anything so complicated as a constitution. It is difficult to see how constitutional law can exclude mere ideology if one assumes at the outset that fundamental principles (such as separation of powers) are in fact not principles but just policies. If Dworkin and Tribe show too much concern with cloaking this contradiction in philosophic respectability, Posner, for his part, shows too little. For whatever desire one might have for a theory of law that excludes only certain policy preferences but not others, the product of such a desire should not be called law, nor philosophy.

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The Complex Balance of *The Federalist*

GARY L. McDOWELL

David F. Epstein: **The Political Theory of The Federalist.** *University of Chicago Press. 234 pp. $22.00.*

WHEN THOMAS JEFFERSON put together a list of those works important enough to be required reading at his "academical village" in Charlottesville, the University of Virginia, he prominently included *The Federalist*. Jefferson believed that, along with the works of Locke and Sidney, *The Federalist* was in part necessary to combat what he perceived as the growing tendency to transform the Constitution by interpretation. His fellow Virginian James Madison agreed. Madison believed that those essays (to which he had contributed so much) were among "the best guides" to understanding the "distinctive principles of the Government . . . of the United States." Indeed, by 1818 he found *The Federalist* to be "an Authority to which appeal is habitually made by all & rarely declined or denied by any, as evidence of the general opinion of those who framed & those who accepted the Constitution of the United States on questions as to its genuine meaning."

To Jefferson, part of the virtue of *The Federalist* was its simple, clear, and compelling language; the rest of its virtue lay in the depth of its reasoning. It is a profoundly political book, written for a profoundly political time. But its specific purpose did not deny it a more general and timeless utility. For, in addition to being a clear window into the minds of that founding generation, it remains an explication of a theory of politics that has stood the test of time. Now that we have once again turned our attention to the meaning of the Constitution—and, at that, on the eve of the bicentennial of our great charter—any work that takes the theory of the Constitution seriously is a welcome addition to scholarship. David Epstein's is such a work.

THE GREATEST STRENGTH of Epstein's book is that it approaches *The Federalist* on its own terms, as a work of political theory. Epstein has not fallen into the trap of seeking to explain the work only or even primarily in the context of the history of ideas; in this way, it is a much more original and much more provocative work than, say, Garry Wills's *Explaining America*. Nor does Epstein subscribe to the facile assumptions of others who have dismissed *The Federalist* merely as a collection of polemical op-ed pieces that reveal more the "split personality" of its joint authors, "Publius," than any cogent theory of popular government.

But in a strange way, the strength of Epstein's approach is the cause of this book's greatest weakness. On the one hand, the essays

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of *The Federalist* were understood by their authors as decidedly polemical: They were meant to persuade wavering New Yorkers of the utility and safety of the proposed Constitution. On the other hand, *The Federalist* is part of the history of ideas; direct recourse to that history is often very helpful—occasionally even absolutely necessary—in understanding the authors' point of intellectual departure and thus their political conclusions. By treating *The Federalist* more as a treatise of political philosophy than it truly is, Epstein infuses it with a consistency that is not always there. Epstein seems often to have been seduced by the allure of the potentially esoteric; he seems more taken by possible hidden meanings than by what is clearly and forcefully said.

But despite this weakness, Epstein's study bolsters considerably the defenses of traditional constitutional interpretation. The dominant understanding of most contemporary constitutional commentators, from the most obscure law reviews to certain justices on the Supreme Court of the United States, is that one cannot know the Framers' intentions. For this school of thought, the Constitution is a "living" or evolving document free of inherent meaning; it is a document, as Justice Douglas once put it, "not shackled to the political theory of a particular era." Rather than viewing the Constitution as the embodiment of a fundamental law rooted in clearly discernible political principles, many courts and commentators see the Constitution as nothing more than an "old bottle" into which each age legitimately pours its "new wine." This jurisprudential posture rejects the notion that Epstein develops here: that there is indeed a political theory inherent to the Constitution.

The Political Theory of The Federalist, countering the prevalent view of the Constitution as a "living" document, seeks to resuscitate the Founders' view of the Constitution as a permanent document. He rejects at its roots the contemporary historicist faith in the natural progress and endless moral evolution of mankind which embraces the idea that constant change is the core of the human experience. As Epstein's careful attention to the textual intricacies of *The Federalist* shows, the contemporary view of the Constitution as merely an evolutionary thing rests upon the historical conceit that our age is unquestionably more enlightened than any of those that came before us.

TO ATTEMPT TO RECOVER the Framers' theory of a permanent Constitution there are obviously a variety of sources to which one may turn: James Madison's "Notes of the Federal Convention"; the records of the debates in the several state conventions over ratification; the personal correspondence of the Framers; and especially the mass of essays and pamphlets, both federal and anti-federal, penned during the ratification struggle. But of this latter group, as Epstein shows, *The Federalist* is the most important.

At the heart of the political teaching of *The Federalist* lies a def-

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inite view of human nature, a view that ultimately informs all of the practical provisions of the Constitution. This view was expressed most clearly by Publius in the fifty-fifth essay:

> As there is a degree of depravity in mankind which requires a certain degree of circumspection and distrust, so there are other qualities in human nature which justify a certain portion of esteem and confidence. Republican government presupposes the existence of these qualities in a higher degree than any other form. Were the pictures which have been drawn by the political jealousy of some among us faithful likenesses of the human character, the inference would be that there is not sufficient virtue among men for self-government; and that nothing less than the chains of despotism can restrain them from destroying and devouring one another.

The basic problem of human nature faced by those attempting to fashion a free government is the problem of man's passions being placed in service of his imperfect reason. There exists a connection between man's reason and his self-love. As a result, his "opinions and his passions will have a reciprocal influence on each other," which will lead to a general disagreement over what constitutes the public good. Each man, seeing the public good only through the distorting lens of self-interest, will have a tendency to assume that his perception of the common good *is* the common good. Politically, this can have disastrous consequences. More often than not it will lead to society being divided, and even convulsed, over the question of how public affairs should be administered. The tendency, as Publius put it in the tenth essay, will be for a majority of the community to be "united and actuated by some common impulse of passion or of interest adverse to the rights of other citizens, or to the permanent and aggregate interests of the community." This was no transient problem unique to the eighteenth century. This is *the* problem of popular government:

> As long as the reason of man continues fallible and he is at liberty to exercise it, different opinions will be formed. As long as the connection subsists between his reason and his self-love, his opinions and his passions will have a reciprocal influence on each other; and the former will be objects to which the latter attach themselves.

The hitch, of course, is that man's reason will *always* be fallible, and the connection between his opinions and his passions will *always* exist. In a regime dedicated to liberty, the problem has no perfect solution; it can only be controlled by taking account of it in creating the institutions of government.

THE PRACTICAL PROBLEMS posed by this theoretical view of man are massive. If men were angels, Publius argued, no government would be necessary. But men are not angels. Indeed, government is instituted among men but for one reason: "Because the passions of men will not conform to the dictates of reason and justice without constraint." But governing men is only half the problem:

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Those who are chosen to govern suffer the same defects and, in the governors, given their power, those defects are magnified. Not only are men not angels, but neither are angels to govern men. The basic political goal is first to "enable the government to control the governed; and in the next place oblige it to control itself." The means for achieving this is in the institutional arrangements of the Constitution.

At its deepest level, the Constitution seeks to reconcile political power with individual liberty. The Framers understood that too little power would lead to anarchy, too much to despotism. Their object was somehow to "combine the requisite stability and energy in government with the inviolable attention due to liberty and the republican form." For they knew that "liberty may be endangered by the abuses of liberty as well as by the abuses of power." They sought to steer between the twin dangers of anarchy and despotism.

The Framers, as Epstein demonstrates, understood that a firm reliance on the people was a *necessary* check on the abuses of power, but they also knew it was not a *sufficient* check. They looked beyond simple popular control to the "auxiliary precautions" created by the Constitution to secure good government. These auxiliary precautions (such as separation of powers, bicameralism, an independent judiciary, an energetic executive, and federalism) were essential because of the tendency among people to form a factious spirit adverse to the common good. If left unchecked, that spirit, if held by a majority of the people, would be translated into public law and policy by the majoritarian mechanics of republican government. Majority rule can be unjust. The purpose of the constitutional contrivances is to achieve a *qualitative* rather than merely a *quantitative* majority rule by refining and enlarging the public's opinions, passions, and interests through a system of institutional filters.

THE TRUE GENIUS of *The Federalist* is revealed in its "novel" contribution to the new science of politics, a contribution that is hardly discussed today but ranks alongside the ideas of separation of powers and bicameralism in importance. It is the idea of an extended commercial republic. Publius rejected the prevailing notion that republican liberty could only be secured in a small area where civic virtue and a sense of public shame could keep the vicious side of human nature under control. On the contrary, he argued, it is only in a large republic that liberty is safe. The reason is clear: In an extensive or large commercial republic there would be generated such a multiplicity of interests that it would be difficult (and hopefully impossible) for a majority to form except around interests and opinions that touched the good of each citizen. The existence of so many interests would demand a process of coalition to reach majority agreement on issues of public policy. Through such a coalescing, extreme interests would be modified before finding their way into law. The extended republic would foster a politics of moderation.

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By fostering a great number interests, each interest is thereby proportionately weaker than it would be in a regime with only a few interests. Publius's theory of politics understands that only where the power of each interest is so weakened can the potentially dangerous self-interestedness of man be unleashed. Only in a large republic can man safely be left free. In *The Federalist*, sturdy institutions replace any feeble reliance on civic virtue. Man is free in spite of himself.

The Political Theory of The Federalist reveals a theory rooted in a keen appreciation for the permanent problems of the human experience. Granting that man is not angelic, it accepts the necessity of government; but, also granting that neither is man simply beastly, it holds firmly to the view that man is capable of governing himself. As Epstein shows, it was the belief in the "honorable determination" of mankind to secure self-government that gives *The Federalist* its theoretical substance. It is through a complex of carefully balanced institutions that man's nature is to be channeled, directed, and tamed, so that the darker side is controlled and the brighter side enhanced. This is the lesson we need most to understand as we approach the bicentennial year if we are to appreciate and celebrate the durable nature of our constitutional order. David Epstein's work is a step in that direction.

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The Best and the Brightest

MALCOLM J. SHERMAN

Robert Klitgaard: **Choosing Elites.** *Basic Books. 267 pp. $19.95.*

HOW DO, and how should, elite institutions such as Harvard University choose from among a large pool of highly capable applicants? What issues arise in selecting from among the "best and brightest" for highly sought positions within universities, businesses, and governments? What light is shed on familiar controversies concerning racial preference and aptitude testing by the experiences and practices of elite institutions? *Choosing Elites* is a careful examination of these questions.

While it addresses a general problem, the best examples come from the author's intimate knowledge of Harvard. Robert Klitgaard, an economist and policy analyst at the Kennedy School of Government, has observed Harvard admissions firsthand as special

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assistant to the president of Harvard University for six years, and more recently as admissions chairman for Harvard's Public Policy Program. He shares the Harvard ethos that places a premium on intelligence, and looks down on brilliance not accompanied by cultivation and polish. Yet, while he states that he has always "viscerally distrusted test scores and grades," Klitgaard comes to the reluctant conclusion that "test scores and grades forecast later success in business, law, medicine, and academia better than existing measures of personality, character, leadership, or diligence."

While elite institutions' only problem might appear to be an embarrassment of riches, the wide range of potential choice makes it necessary for them to refine objectives. Should a business school, for example, seek to train future entrepreneurs or business analysts? Should the Harvard Medical School seek potential practitioners as well as researchers? The stakes are high at such schools, and their admissions policies have external and internal consequences that are both practical and symbolic.

ACCORDING TO KLITGAARD, the objectives of selection are "remarkably vague" and unstable at Harvard. "Policies are not derived in even a moderately explicit way from a careful specification of each institution's differing objectives. . . ." For example, the Harvard Divinity School does not require students to take any standardized tests, while Harvard College and Law School (and some other programs) not only require such exams, but weigh the scores heavily. Harvard College and Medical School give far greater preference to children of alumni than does the Law School. The College seeks diversity in leadership, social skills, geographic origin, race, and special talents (for example, music and athletics). But the Law School gives positive weight only to geographic and racial diversity, not to athletic or artistic talent. (But "economic disadvantage, unusual work experience and sex" are also taken into account at Harvard Law.) The Medical School interviews each applicant twice and Harvard College encourages applicants to schedule alumni interviews, but the Law School, Business School, and other professional schools do not use interviews. The Business School and the College give great weight to students' essays, while in other units only unusually good or bad essays matter. Similar variety is found at other universities, and again is not fully explainable by differences in the goals of various programs.

What, beyond academic preparation and aptitude, should count for admission to Harvard College, and how much? Former Dean of Admissions Wilbur Bender (writing in 1960) is quoted by Klitgaard:

> The student who ranks first in his class may be genuinely brilliant. Or he may be a compulsive worker or the instrument of domineering parents' ambitions. . . . Or he may have focused narrowly on grade-getting . . . because he lacks other interests or talents or lacks passion and warmth or normal healthy instincts or is afraid of life. . . . [We want] a college with some snobs and some Scandinavian farm boys who skate beautifully and

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> some bright Bronx pre-meds, with some students who care passionately if unwisely (but who knows?) about editing the Crimson or beating Yale, or who have an ambition to . . . make a million, or to get elected to public office . . . a college in which not all the students have looked on school just as preparation for college, college as preparation for graduate school. . . . Won't even our top one percent be better men and better scholars for being part of such a college?

Bender's successor candidly explained that Harvard deliberately sought some students who were *not* academic stars, but who were strong in sports or the arts or in social life, and would therefore not be devastated by winding up in the bottom quarter of the class (as one-fourth of a class always does).

Applicants to Harvard for the class of 1975, the last year for which relatively complete data have been made public, were assigned an academic rating from 1 (the highest rating) to 7. (These data concern only male students; female students applied directly to Radcliffe College.) Fifty-one applicants were rated 1, of whom fifty were accepted. Only ten percent of the 1,747 applicants rated 4 were admitted, while of the 608 applicants rated 5, 6, or 7, only four were accepted. The nonacademic factors were most critical for 2's and 3's. (An academic rating of 2 meant: "will do solid honors or *magna* [*cum laude*] work," while a 3 meant: "will probably do honors work.") While 2's and 3's had an overall probability of admission of 30 percent, those who were sons of alumni had a 60 percent chance; potential college varsity players rated 2 or 3 had a 64 percent admission probability, while blacks in these academic categories had a 73 percent chance of being admitted.

Had Harvard based admissions solely on SAT scores, the minimum needed for admission, Klitgaard calculates, would have been 690, a score achieved by only 35 percent of the actual class, and by only one percent of the almost one million college-bound seniors who take the test annually. If the class of 1975 had been chosen solely by SAT scores, alumni sons would have been only 6.1 percent of the class instead of their actual proportion of 13.6 percent, athletes would have been 4.5 percent instead of 23.6 percent, and blacks would have been 1.1 percent instead of 7.7 percent.

SO WHILE THE MYSTIQUE OF SELECTION emphasizes individual merit, the reality is more complex. Former Yale President Kingman Brewster (quoted by Klitgaard) once stated that "the 'opportunity sense' that is the greatest heritage and the greatest promise" of the United States depends to a considerable degree on "open competitive admissions *based on merit*" at elite institutions. The problem, of course, is that this ideal, taken literally, cannot be reconciled with de facto preference for children of alumni, racial minorities, and residents of Wyoming.

Klitgaard asks whether a less competitive, less individualistic criterion he calls "total social value-added" explains existing policies. Are universities in some sense trying to maximize the difference

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between the social costs of "inputs" and the value of their "outputs"? Klitgaard's "social value" is very broadly defined to include, for example, the subjective value of the education to the student and the immediate and long-term value of the student to the university. Klitgaard even includes the value of the incentives that are created by accepting or rejecting various types of students. For example, since there has been a noticeable decline in the test scores of the ablest students over the last generation, the most socially useful policies that Harvard could now pursue might well be to reaffirm the primacy of academic standards.

This framework seems to provide a defensible rationale for a variety of reasonable approaches to selection. Klitgaard's analysis, though, actually shows that the criterion of social value-added, while appropriate up to a point, is not and should not become the consistent goal of admissions. Suppose, for example, a school of government decides that a small increment in the skills of a cabinet level official is worth more to society than a large improvement in those of a lower-level bureaucrat. Does it follow that one should accept the son of a cabinet minister of a nepotistic oil-producing nation in preference to an abler applicant who has a much smaller chance of reaching the top?

Klitgaard raises this issue by considering the case of a well-connected applicant who is a member of the royal family. Klitgaard does not say so, but one expects that this young man would get into Harvard College (though not necessarily into a graduate program in physics) if he rates at least a 4 academically, simply on the basis of diversity. However unfair this may seem to rejected applicants, one can see that most other Harvard students would rather have a smattering of foreign royalty than another pre-med from, say, Manhattan or Long Island. But Klitgaard also admits that the Harvard chemistry department curtailed the admission of Jews until after World War II, on the grounds that they would have difficulty getting jobs as chemists. The value-added criterion does not distinguish between preference for foreign royalty and overt discrimination against Jews.

KLITGAARD DOES PROVIDE an excellent review of the extensive literature on testing, and convincingly demonstrates the pragmatic value of conventional aptitude tests as academic predictors, even at the "right tail" of the talent distribution. Many discussions of testing assume that tests are only valid to the extent that they predict future grades or other performance. But Klitgaard also describes research on the deficiences of grades as measures of learning. The meaning of a given grade depends on the standards of the school, on the instructor, on the course, and (given the grade inflation of the last generation) on the era. College students today can choose the vast majority of courses they take, and at many schools students can drop a course up to the end of the semester and thus avoid a low

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grade. Some schools base grade-point averages only on those courses for which a student receives credit, so that failures do not count and are often not even reported on a transcript. Only when grading is uniform do correlations between grades and test scores rise.

The relationship between college grades and later achievements has often been denied, but Klitgaard reviews the literature and concludes that there is usually a modest positive association. For example, a study of 976 white male graduates employed by the Ford Motor Company found that college grades were significant predictors of salary and frequently of promotion. Graduates of more selective colleges were promoted more often than others. In an older study of 1,310 American Telephone and Telegraph employees who graduated from college before 1926, those who had graduated in the top tenth of their class were earning, on the average, 60 percent above the median earnings of the group.

Klitgaard reviews dozens of such studies, and finds that while there are some negative findings, on the whole it seems that those who received higher grades in college, or went to a better college, tended to be more successful in their careers. However he fails to review the new research conducted by Frank Schmidt, John Hunter, and their collaborators that strongly suggests that the background aptitudes that are most critical for success in school are in fact the most consistently valid predictors of later job performance. Thus, there is a *direct* connection between test scores and job performance, as opposed to the weaker two-step connection (tests validly predict grades, which in turn predict job success) that Klitgaard establishes.

As for the impact of tests on minorities there is no question that blacks perform well below whites on the average. (Klitgaard gives many details.) The real issues are *why* this is so, whether tests are unfair to certain minorities, and what selection policies should be followed in consequence. If blacks with given scores tended to outperform whites with these same scores it could be said that these tests were unfair to blacks as a group. However, it has been known for more than fifteen years that tests are probably not unfair in this sense. In general, a given score means about the same thing for blacks as for whites. To the extent that there are differences, they favor blacks: The average performance of blacks with given scores is, if anything, somewhat lower than that of whites with the same scores. Tests, if anything, tend to overpredict black performance.

Klitgaard gives an up-to-date summary of this little-known, highly discouraging research. For example, in a study of majority and minority students at nine representative medical schools it was found that the average scores of minority (not just black) medical students was at the twentieth percentile for whites on the National Board of Medical Examiners tests. Half to two-thirds of this gap could be explained by minorities' lower aptitude test scores and lower college grades; the remainder was overprediction. Similar

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results have been found in other academic settings, in industrial situations, in civil service jobs, and in the military.

ALL IN ALL, KLITGAARD has written a finely balanced account of selection that successfully interweaves two contrasting themes: the centrality of intelligence as measured by tests and grades, and the limitations of meritocracy. Testing, like capitalism and democracy, is destined to receive only "two cheers" from its most mature advocates. Tests are in general the most reliable predictors we have of achievement, but we should not worship them.

The extent to which elite institutions remain elite will depend on their selection policies. For Harvard and other top universities, the core notion of excellence is reassuringly scholarly, but selection decisions still depend not only on the isolated merits of individuals but on the breadth and balance of the group that is ultimately chosen. Elite schools remain so not only because they seek and are sought by the best and the brightest, but because at the margins these universities give weight to other values, and thereby enlarge their constituencies.

Still pertinent is the advice (1922) that Learned Hand (quoted by Klitgaard) offered to Harvard on selection:

> If anyone could devise an honest test for character, perhaps it would serve well. I doubt its feasibility except to detect formal and obvious delinquencies. Short of it, it seems to me that students can only be chosen by tests of scholarship, unsatisfactory as those no doubt are. . . .

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